

**SEVENTY-THIRD DAY**  
(Monday, May 20, 1985)

The Senate met at 11:00 o'clock a.m., pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Barrientos, Blake, Brooks, Brown, Caperton, Edwards, Farabee, Glasgow, Harris, Henderson, Howard, Jones, Kothmann, Krier, Leedom, Lyon, McFarland, Mauzy, Montford, Parker, Parmer, Santiesteban, Sarpalius, Sharp, Sims, Traeger, Truan, Uribe, Washington, Whitmire, Williams.

A quorum was announced present.

Senator J. E. (Buster) Brown offered the invocation as follows:

Our dear Heavenly Father, we are thankful for the privilege of being able to gather here today and do Thy work. As we approach the final week of the legislative session, be with the Members and with the staff as they work hard to complete all the many tasks that we have before us. And as we end this session next Monday at midnight, please let us all return to our families and our districts knowing that we have made an effort at doing Thy will. In His name we pray. Amen.

On motion of Senator Mauzy and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 17, 1985, was dispensed with and the Journal was approved.

**REPORTS OF STANDING COMMITTEES**

Senator Mauzy submitted the following report for the Committee on Jurisprudence:

**H.B. 1776**  
**H.B. 740**  
**C.S.S.B. 152**

Senator Parker submitted the following report for the Committee on Education:

**H.B. 741 (Amended)**  
**H.B. 435**  
**H.B. 1532**  
**H.B. 1243**  
**H.B. 553**  
**S.C.R. 169**  
**H.B. 973**  
**H.B. 1911 (Amended)**

Senator Harris submitted the following report for the Committee on Economic Development:

**H.B. 1741**  
**H.B. 1041**  
**H.B. 1201**  
**H.B. 1219 (Amended)**  
**H.B. 1442**  
**C.S.S.R. 454**

**SENATE BILLS AND RESOLUTIONS ON FIRST READING**

On motion of Senator Howard and by unanimous consent, the following bills and resolutions were introduced, read first time and referred to the Committee indicated:

**S.R. 455** by Santiesteban Administration  
Directing the Senate Committee on Natural Resources to conduct an interim study on certain issues concerning water and energy.

**S.R. 457** by Leedom Administration  
Encouraging the Texas Board of Human Resources to review the new minimum standards relating to Child Care Facilities.

**S.C.R. 173** by Barrientos Jurisprudence  
Granting Eugene T. McLaughlin and Cara Houchins Hughes permission to sue the State of Texas.

**S.B. 1491** by Howard Intergovernmental Relations  
Relating to the creation, administration, powers, duties, operations, and financing of the Sulphur River Basin Authority; authorizing certain public agencies to contract with the authority; and providing penalties.

**S.B. 1492** by Jones Finance  
Relating to investment of the permanent school fund.

**HOUSE BILL AND RESOLUTIONS ON FIRST READING**

The following bill and resolutions received from the House were read the first time and referred to the Committee indicated:

**H.C.R. 40**, To Committee on Natural Resources.  
**H.C.R. 64**, To Committee on State Affairs.  
**H.C.R. 114**, To Committee on Administration.  
**H.C.R. 137**, To Committee on Jurisprudence.  
**H.C.R. 169**, To Committee on Administration.  
**H.C.R. 173**, To Committee on Natural Resources.  
**H.C.R. 181**, To Committee on Health and Human Resources.  
**H.C.R. 184**, To Committee on Administration.  
**H.C.R. 193**, To Committee on Administration.  
**H.B. 756**, To Committee on State Affairs.

**BILLS AND RESOLUTIONS SIGNED**

The President announced the signing in the presence of the Senate, after the caption had been read, the following enrolled bills and resolutions:

<b>S.J.R. 15</b>	<b>S.B. 286</b>
<b>S.J.R. 33</b>	<b>S.B. 316</b>
<b>S.C.R. 2</b>	<b>S.B. 351</b>
<b>S.C.R. 11</b>	<b>S.B. 395</b>
<b>S.C.R. 14</b>	<b>S.B. 398</b>
<b>S.C.R. 62</b>	<b>S.B. 500</b>
<b>S.C.R. 63</b>	<b>S.B. 526</b>
<b>S.C.R. 72</b>	<b>S.B. 546</b>
<b>S.C.R. 115</b>	<b>S.B. 655</b>
<b>S.C.R. 124</b>	<b>S.B. 675</b>
<b>S.C.R. 142</b>	<b>S.B. 811</b>
<b>S.C.R. 145</b>	<b>S.B. 854</b>
<b>S.C.R. 165</b>	<b>S.B. 894</b>

S.B. 148	S.B. 956
S.B. 150	S.B. 1120
S.B. 216	S.B. 1211
S.B. 233	S.B. 1231
S.B. 251	S.B. 1267
S.B. 281	S.B. 1272
S.B. 285	S.B. 1282

**CONFERENCE COMMITTEE REPORT  
SENATE BILL 549**

Senator Caperton submitted the following Conference Committee Report:

Austin, Texas  
May 20, 1985

Honorable William P. Hobby President of the Senate

Honorable Gibson D. "Gib" Lewis Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.B. 549 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

CAPERTON  
SHARP  
PARMER  
LEEDOM  
WHITMIRE

On the part of the Senate

KUBIAK  
WHALEY  
S. JOHNSON  
R. LEWIS  
EARLEY

On the part of the House

**A BILL TO BE ENTITLED  
AN ACT**

relating to bidding for the purchase of equipment, materials, and supplies for the county and its officers, departments, or institutions in certain counties; amending Section 3.211, County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes), and Articles 1659 and 1659b, Revised Statutes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 3.211, County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 3.211. **COMPETITIVE BIDDING.** All equipment, materials, and supplies for the construction and maintenance of county roads and for the county road department shall be purchased by the commissioners court on competitive bids in conformity with estimates and specifications prepared by the county road engineer. However, on recommendation of the county road engineer and when in the judgment of the commissioners court it is considered in the best interest of the county, purchases in an amount not to exceed \$5,000 [~~\$1,000~~] may be made through negotiation by the commissioners court or the commissioners court's authorized representative on requisition to be approved by the commissioners court or the county auditor without advertising for competitive bids. Before any claim covering the purchase of the equipment, materials, and supplies and for any services contracted for by the commissioners court may be ordered paid by the commissioners court, the county road engineer must certify in writing the correctness of the claim and must certify that the respective equipment, materials, and supplies covered by the claim conform to specifications approved by him, that the equipment, materials, and supplies were delivered in good condition, and that

any road department services contracted for by the commissioners court have been satisfactorily performed. This section does not permit the division or reduction of purchases for the purpose of avoiding the requirement of taking formal bids on purchases that would otherwise exceed \$5,000 [~~\$1,000~~].”

SECTION 2. Articles 1659 and 1659b, Revised Statutes, are amended to read as follows:

“Article 1659. BIDS FOR MATERIAL. Supplies of every kind, road and bridge material, or any other material, for the use of said county, or any of its officers, departments, or institutions must be purchased on competitive bids, the contract to be awarded to the party who, in the judgment of the commissioners court, has submitted the lowest and best bid. The county auditor shall advertise the bidding at least once a week for two consecutive weeks in at least one newspaper published and circulated in the county. The advertisements shall state where the specifications are to be found, and shall give the time and place for receiving the bids. Publication of the first advertisement shall precede the last day for receiving bids by at least 14 days. All such competitive bids shall be kept on file by the county auditor as a part of the records of his office, and shall be subject to inspection by any one desiring to see them. Copies of all bids received shall be furnished by the county auditor to the county judge and to the commissioners court; and when the bids received are not satisfactory to the said judge or county commissioners, the auditor shall reject said bids and readvertise for new bids. In cases of emergency, purchases not in excess of \$5,000 [~~\$1,000~~] may be made upon requisition to be approved by the commissioners court without advertising for competitive bids.”

“Article 1659b. In all counties having a population of not less than 800,000 nor more than 900,000, according to the last preceding federal census, and having an assessed valuation of \$800,000,000 or more, supplies of every kind, road and bridge material, or any other material, for the use of said county, or any of its officers, departments, or institutions must be purchased on competitive bids, the contract to be awarded to the party who, in the judgment of the commissioners court, has submitted the lowest and best bid. Where the total expenditure for any such purchase or any such contract shall exceed \$5,000 [~~\$1,000~~], advertisements for bids for such supplies and material, according to purchasing specifications giving in detail what is needed, shall be made by the purchasing agent, if the county has no purchasing agent then by the county auditor, once each week for two successive weeks in a daily newspaper published and circulated in the county. Such advertisements shall state where the specifications are to be found, and shall give the time and place for receiving such bids. Where the amount to be expended shall be \$5,000 [~~\$1,000~~], or less, it shall not be necessary to advertise for bids, but sealed bids shall be asked from as many as three persons, firms, or corporations, or as many more as shall offer to bid, based on written specifications filed with the purchasing agent or auditor as the case may be, at least 48 hours before the time of opening said sealed bids. All such competitive bids shall be kept on file by the purchasing agent or auditor, as the case may be, as a part of the records of his office, and shall be subject to inspection by anyone desiring to see them. Copies of all bids received shall be furnished by the purchasing agent or auditor to the commissioners court; and when the bids received are not satisfactory to the commissioners court, the purchasing agent or auditor shall reject said bids and readvertise for new bids, where the amount to be expended exceeds \$5,000 [~~\$1,000~~], or ask for new bids, where the amount to be expended shall be \$5,000 [~~\$1,000~~] or less. In cases of emergency, purchases or contracts not in excess of \$5,000 [~~\$1,000~~] may be made upon requisition to be approved by the commissioners court, without advertising for competitive bids or asking for competitive bids.”

SECTION 3. (a) Section 1 of this Act takes effect September 1, 1985, and applies only to purchases of equipment, materials, and supplies requested by the

county road engineer on or after that date. Purchases requested before the effective date of this Act are covered by the law in effect on the date the request was made, and the former law is continued in effect for that purpose.

(b) The amendment by this Act of Articles 1659 and 1659b, Revised Statutes, does not apply to a purchase covered by those articles made before the effective date of this Act. Such a purchase is covered by the law as it existed on the date the purchase was made, and the former law is continued in effect for this purpose.

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

The Conference Committee Report was read and was filed with the Secretary of the Senate.

#### **SENATE CONCURRENT RESOLUTION 94 WITH HOUSE AMENDMENT**

Senator Uribe called **S.C.R. 94** from the President's table for consideration of the House amendment to the resolution.

The President laid the resolution and the House amendment before the Senate.  
Committee Amendment No. 1 - Haley  
Substitute the following for **S.C.R. 94**:

WHEREAS, It is our duty as elected officials to reaffirm our commitment to the youth of Texas by expanding educational programs that encourage responsible citizenship, community participation, and a better understanding of government by students who will soon be members of the electorate; and

WHEREAS, Eleventh grade students from throughout the State of Texas will be in Austin, Wednesday, July 31, through Friday, August 2, 1985, to participate in the third annual Young Leadership Workshop, which is sponsored by the National Hispanic Institute; and

WHEREAS, The intent of this program is to educate our youth, encourage them to participate in community affairs, and instill in them a desire to become strong leaders within their communities; and

WHEREAS, This program will simulate the electoral system through the creation of political parties, which will sponsor candidates for state offices after campaigns and elections are completed; and

WHEREAS, Upon completion of this important event, a reenactment of a state legislative session will transpire; committees will be created, legislative proposals will be developed, and legislative oratory will be presented in a mock legislative session; and

WHEREAS, The sponsors of the third annual Young Leadership Workshop desire to use the senate and house chambers Wednesday, July 31, through Friday, August 2, 1985; now, therefore, be it

RESOLVED by the 69th Legislature, That, in accordance with senate and house rules of procedures and policies of the Senate Administration Committee and House Administration Committee, the students and teachers of the third annual Young Leadership Workshop be and are hereby granted permission to use the senate and house chambers of the Texas Legislature from Wednesday, July 31, through Friday, August 2, 1985, unless the Texas Senate and House of Representatives are in session on those dates.

The amendment was read.

Senator Uribe moved to concur in the House amendment.

The motion prevailed.

**SENATE JOINT RESOLUTION 10 WITH HOUSE AMENDMENT**

Senator Montford called **S.J.R. 10** from the President's table for consideration of the House amendment to the resolution.

The President laid the resolution and the House amendment before the Senate.

Committee Amendment No. 1 - Toomey

Substitute the following for **S.J.R. 10**:

proposing a constitutional amendment granting the supreme court and the court of criminal appeals jurisdiction to answer questions of state law certified from federal appellate courts.

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:**

**SECTION 1.** Article V, of the Texas Constitution is amended by adding Section 3-c to read as follows:

"Section 3-c. (a) The supreme court and the court of criminal appeals have jurisdiction to answer questions of state law certified from a federal appellate court.

"(b) The supreme court and the court of criminal appeals shall promulgate rules of procedure relating to the review of those questions."

**SECTION 2.** The following temporary provision is added to the Texas Constitution:

"TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 69th Legislature, Regular Session, 1985, granting the supreme court and the court of criminal appeals jurisdiction to answer questions of state law certified from a federal appellate court.

"(b) The constitutional amendment takes effect January 1, 1986.

"(c) This temporary provision takes effect on the adoption of the amendment by the voters and expires January 2, 1986."

**SECTION 3.** This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 1985. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment granting the Supreme Court of Texas and the Court of Criminal Appeals of Texas jurisdiction to answer questions of state law certified from a federal appellate court."

Senator Montford moved to concur in the House amendment.

The motion prevailed by the following vote: Yeas 31, Nays 0.

**SENATE BILL 1238 WITH HOUSE AMENDMENTS**

Senator Howard called **S.B. 1238** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Committee Amendment No. 1 - A. Smith

Substitute the following for **S.B. 1238**:

**A BILL TO BE ENTITLED****AN ACT**

relating to the regulation, licensing and fees of insurance, health maintenance organization, and pre-paid legal agents and insurance adjusters.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:**

**SECTION 1.** Section 7(b), Article 3.75, Insurance Code, as amended, is amended to read as follows:

(b) The Commissioner of Insurance shall collect in advance from variable agent applicants a nonrefundable license fee in an amount not to exceed \$50[, and].

Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, the Commissioner of Insurance shall collect in advance from variable agent applicants an examination fee in an amount not to exceed \$20. The State Board of Insurance shall determine the amount of the fees. A new examination fee shall be paid for each and every examination. The examination fee shall not be returned under any circumstance other than for failure to appear and take the examination after the applicant has given at least 24 hours notice of an emergency situation to the Commissioner of Insurance and received the commissioner's approval. All fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the State Board of Insurance operating fund to be used to administer the provisions of this section and Article 21.07-1, Insurance Code, as amended.

SECTION 2. Section 7(d), Article 3.75, Insurance Code, as amended, is amended to read as follows:

(d) Licenses which have not expired or which have not been suspended or revoked may be renewed by filing with the State Board of Insurance a renewal application and paying the renewal fee [upon request in writing of the agent and payment of a renewal fee] set by the board in an amount not to exceed \$50[-] on or before the expiration date of the license. If a license has been expired for not longer than 90 days, the license may be renewed by paying to the board the required renewal fee and a fee that is one-half of the original license fee. If a license has been expired for longer than 90 days but less than two years, the license may be renewed by paying to the board all unpaid renewal fees and a fee that is equal to the original license fee. If a license has been expired for two years or longer, the license may not be renewed. A new license may be obtained by complying with the requirements and procedures for obtaining an original license. At least 30 days before the expiration of a license, the Commissioner shall send written notice of the impending license expiration to the licensee at his last known address. This subsection may not be construed to prevent the board from denying or refusing to renew a license under applicable law or rules of the State Board of Insurance.

SECTION 3. Section 7(e), Article 3.75, Insurance Code, as amended, is amended to read as follows:

(e) Any agent licensed under this article may represent and act as agent for more than one insurance carrier any time while his or its license is in force, if he or it so desires. Any such agent and the insurance carrier involved must give notice to the State Board of Insurance of any additional appointment or appointments authorizing him or it to act as agent for an additional insurance carrier or carriers. Such notice must set forth the insurance carrier or carriers which the agent is then licensed to represent and shall be accompanied by a certificate from each insurance carrier to be named in each additional appointment that said insurance carrier desires to appoint the applicant as its agent. This notice shall also contain such other information as the State Board of Insurance may require. The agent or company shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance for each additional appointment applied for, which fee shall accompany the notice. All fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the State Board of Insurance operating fund to be used to administer the provisions of this article and Article 21.07-1, Insurance Code, as amended.

SECTION 4. Section 7, Article 3.75, Insurance Code, as amended, is amended by adding Subsection (f) to read as follows:

**Duplicate License; Fee**

(f) The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 5. Section A, Article 9.36, Insurance Code, as amended, is amended to read as follows:

A. Before an initial license is issued to any person, firm, association or corporation to act as an agent within the State of Texas for any title insurance company, there shall first be filed by the title insurance company with the Board an application for agent's license, on forms to be provided by the Board, accompanied by a nonrefundable license fee in an amount not to exceed Fifty Dollars (\$50) as determined by the Board, which fee including license renewal fees shall be deposited in the state treasury to the credit of the State Board of Insurance to enforce the provision of this article and all laws of this state governing and regulating title agents for such insurance companies. ~~[On initial application if an applicant fails to qualify for, or is refused a license, the license fee shall be refunded.]~~ The application shall be signed and duly sworn to by the title insurance company and the proposed agent. Such application shall contain the following:

(1) That the proposed agent, if an individual, is a bona fide resident of Texas; or if a firm or association that it is composed wholly of Texas residents; or if a corporation, that it is a Texas corporation or a foreign corporation which has been authorized to do business in Texas; and

(2) That the proposed agent (and if a corporation, its managerial personnel) has reasonable experience or instruction in the field of title insurance; and

(3) That the proposed agent is known to the title insurance company to have a good business reputation and is worthy of the public trust and said title insurance company knows of no fact or condition which would disqualify him from receiving a license; and

(4) That the proposed agent qualified as a title insurance agent as defined in this Act.

The Board shall grant such license if it determines from the application and its own investigation that the foregoing requirements have been met.

The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 6. Section A, Article 9.43, Insurance Code, as amended, is amended to read as follows:

A. Before an initial license is issued to any person to act as escrow officer within the State of Texas for any title insurance agent, there shall be first filed by such title insurance agent with the Board an application for an escrow officer's license on forms provided by the Board, accompanied by a nonrefundable license fee in an amount not to exceed Fifty Dollars (\$50) as determined by the Board, which fees including license renewal fees under Article 9.42 shall be deposited in the state treasury to the credit of the State Board of Insurance to enforce the provisions of this article and all laws of this state governing and regulating escrow officers for such title insurance agents. ~~[In the event an applicant fails to qualify for, or is refused a license, the license fee shall be refunded.]~~ The application shall be signed and duly sworn to by such title insurance agent and by the proposed escrow officer.

SECTION 7. Section B, Article 9.43, Insurance Code, as amended, is amended by adding Sections C and D to read as follows:

B. Such application shall contain the following:

(1) that the proposed escrow officer is a natural person and a bona fide resident of the State of Texas;

(2) that the proposed escrow officer has reasonable experience or instruction in the field of title insurance;

(3) that the proposed escrow officer is known to the agent to have a good business reputation and is worthy of the public trust and the agent knows of no fact or condition which would disqualify him from receiving a license;



(4) that the proposed escrow officer qualifies as an escrow officer as defined in this Act.

C. The Board shall grant such license, if it determines from the application and its own investigation that the foregoing requirements have been met.

D. The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 8. Section 6(a), Article 9.56, Insurance Code, as amended, is amended to read as follows:

Sec. 6. (a) Before an initial license is issued to any Texas licensed attorney to act as a title attorney within the State of Texas for an attorney's title insurance company, there shall first be filed by the attorney's title insurance company with the board an application for a title attorney's license, on forms to be provided by the board, accompanied by a nonrefundable fee in an amount not to exceed \$50 as determined by the board. The application shall be signed and duly sworn to by the attorney's title insurance company and the applicant title attorney. Such application shall contain the following:

(1) that the applicant title attorney is a bona fide licensed Texas attorney, resident of Texas; and

(2) that the applicant title attorney is actively engaged in the practice of law; and

(3) that the applicant title attorney is known to the attorney's title insurance company to have a good business reputation, to be a current member of the State Bar of Texas, in good standing, and is worthy of the public trust and said attorney's title insurance company knows of no fact or condition which would disqualify him from receiving a license; and

(4) that the applicant title attorney is qualified as defined in this Article 9.56 of this Chapter 9.

The board shall grant such title attorney's license if it determines from the application and its own investigation that the foregoing requirements have been met.

The Commissioner of Insurance shall collect in advance from such licensees requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 9. Paragraph (b), Article 20A.15, Insurance Code, as amended, is amended to read as follows:

(b) The Commissioner of Insurance shall collect in advance from health maintenance organization agent applicants a nonrefundable license fee in an amount not to exceed \$50 as determined by the board [and]. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, the Commissioner of Insurance shall also collect from such applicants an examination fee in an amount not to exceed \$20 as determined by the board. A new examination fee shall be paid for each examination. The examination fee shall not be returned under any circumstances other than for failure to appear and take the examination after the applicant has given at least 24 hours notice of an emergency situation to the Commissioner of Insurance and received the commissioner's approval.

SECTION 10. Section (d), Article 20A.15, Insurance Code, as amended, is amended to read as follows:

(d) Licenses which have not expired or been suspended or revoked may be renewed [upon written request and payment by the agent of a renewal fee] by filing with the State Board of Insurance a renewal application and by paying a renewal fee in an amount not to exceed \$50 as determined by the board[-] on or before the expiration of the license.

SECTION 11. Section (e), Article 20A.15, Insurance Code, as amended, is amended to read as follows:

(e) Any agent licensed under this section may represent and act as an agent for more than one health maintenance organization at any time while the agent's license is in force. Any such agent and the health maintenance organization involved must give notice to the State Board of Insurance of any additional appointment or appointments authorizing the agent to act as agent for an additional health maintenance organization or health maintenance organizations. Such notice must set forth the health maintenance organization or health maintenance organizations which the agent is then licensed to represent and shall be accompanied by a certificate from each health maintenance organization to be named in each additional appointment that said health maintenance organization desires to appoint the applicant as its agent. This notice shall contain such other information as the State Board of Insurance may require. The agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the board for each additional appointment applied for, which fee shall accompany the notice.

SECTION 12. Subsection (j), Article 20A.15, Insurance Code, as amended, is amended to read as follows:

(j) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this section, the commissioner shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the licensing examination administered under this section, the commissioner shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 13. Article 20A.15, Insurance Code, as amended, is amended by adding Section (m) to read as follows:

**Duplicate License; Fee**

(m) The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 14. Section 2(b), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(b) The Board shall issue a license to a corporation if the Board finds:

(1) That the corporation is a Texas corporation organized or existing under the Texas Business Corporation Act having its principal place of business in the State of Texas and having as one of its purposes the authority to act as an agent covered by this Article;

(2) That every officer, director, and shareholder of the corporation is individually licensed under the provisions of this Article; and

(3) That such corporation will have the ability to pay any sums up to \$25,000 which it might become legally obligated to pay on account of any claim made against it by any customer and caused by any negligent act, error, or omission of the corporation or any person for whose acts the corporation is legally liable in the conduct of its business under this Article. The term "customer" means any person,

firm, or corporation to whom such corporation sells or attempts to sell a policy of insurance, or from whom such corporation sells or attempts to sell a policy of insurance, or from whom such corporation accepts an application for insurance. Such ability shall be proven in one of the following ways:

(A) an errors and omissions policy insuring such corporation against errors and omissions in at least the sum of \$50,000 with no more than a \$2,500 deductible feature issued by an insurance company licensed to do business in the State of Texas or, if a policy cannot be obtained from a company licensed to do business in Texas, a policy issued by a company not licensed to do business in Texas on filing an affidavit with the State Board of Insurance stating the inability to obtain coverage and receiving the Board's approval;

(B) a bond executed by such corporation as principal and a surety company authorized to do business in this State, as surety, in the principal sum of \$25,000, payable to the State Board of Insurance for the use and benefit of customers of such corporation, conditioned that such corporation shall pay any final judgment recovered against it by any customer; or

(C) a deposit of cash or securities of the class authorized by Articles 2.08 and 2.10, Insurance Code, as amended, having a fair market value of \$25,000 with the State Treasurer. The State Treasurer is directed to accept and receive such deposit and hold it exclusively for the protection of any customer of such corporation recovering a final judgment against such corporation. Such deposit may be withdrawn only upon filing with the Board evidence satisfactory to it that the corporation has withdrawn from business and has no unsecured liabilities outstanding, or that such corporation has provided for the protection of its customers by furnishing an errors and omissions policy or a bond as provided. Securities so deposited may be exchanged from time to time for other qualified securities.

A binding commitment to issue such a policy or bond, or tender of such securities, shall be sufficient in connection with any application for license.

Nothing contained herein shall be construed to permit any unlicensed employee or agent of any corporation to perform any act of an agent under this Article without obtaining a license.

If at any time, any corporation holding an agent's license does not maintain the qualifications necessary to obtain a license, the license of such corporation to act as an agent shall be cancelled or denied in accordance with the provisions of Sections 10 and 11 of this Article; provided, however, that should any person who is not a licensed agent under this Article acquire shares in such a corporation by devise or descent, he shall have a period of 90 days from date of acquisition within which to obtain a license or to dispose of the shares of a person licensed under this Article.

Should such an unlicensed person acquire shares in a corporation and not dispose of them within a period of 90 days to a licensed agent, then they must be purchased by the corporation for their book value, that is, the value of said shares of stock as reflected by the regular books and records of said corporation, as of the date of the acquisition of said shares by said unlicensed person. Should the corporation fail or refuse to so purchase such shares, its license shall be cancelled.

Any such corporation shall have the power to redeem the shares of any shareholder, or the shares of a deceased shareholder, upon such terms as may be agreed upon by the board of directors and such shareholder or his personal representative, or at a price and upon such terms as may be provided in the articles of incorporation, the bylaws, or an existing contract entered into between the shareholders of the corporation.

Each corporation licensed as an agent under this Article shall file, under oath, a list of the names and addresses of all of its officers, directors, and shareholders with its [yearly] application for renewal license.

Each corporation shall ~~[immediately]~~ notify the State Board of Insurance upon any change in its officers, directors, or shareholders not later than the 30th day after the date on which the change becomes effective.

No other corporation may own any interest in a corporation licensed under this Article, and each owner of an interest in a corporation licensed under this Article shall be a natural person who holds a valid license issued under this Article.

SECTION 15. Article 21.07, Insurance Code, as amended, is amended by adding Section 3B to read as follows:

3B. Persons who reside in a town through which the state line may run and whose residence is located in the town in the adjoining state may be licensed as a resident agent if their business office is being maintained in this state.

SECTION 16. Sections 4(a) and 4(b), Article 21.07, Insurance Code, as amended, are amended to read as follows:

Sec. 4. (a) Each applicant for a license under the provisions of this Article 21.07, Texas Insurance Code, 1951, as amended, who desires to write health and accident insurance, other than as excepted in Section 3 of this Article 21.07, within this state shall submit to a personal written examination prescribed by the State Board of Insurance and administered in English or Spanish language ~~[by the State Board of Insurance]~~ to determine his competency with respect to health and accident insurance and his familiarity with pertinent provisions of the laws of the State of Texas relating to health and accident insurance, and shall pass the same to the satisfaction of the State Board of Insurance; except that no written examination shall be required of:

(i) An applicant for the renewal of a license issued by the State Board of Insurance pursuant to Article 21.07, Texas Insurance Code, 1951, as amended, which is currently in force at the effective date of this Act;

(ii) An applicant whose license expired less than one year prior to the date of application may, in the discretion of the State Board of Insurance, be issued a license without written examination, provided such prior license granted such applicant the right to sell health and accident insurance; or

(iii) An applicant that is a corporation.

(b)(i) The State Board of Insurance shall, within sixty (60) days from the effective date of this Act, establish reasonable rules and regulations with respect to the scope, type and conduct of such written examination and the times and places within this State where such examinations shall be held. ~~[; applicants, shall however, be permitted to take such examinations at least once in each week at the office of the State Board of Insurance.]~~ The rules and regulations of the State Board of Insurance shall designate textbooks, manuals and other materials to be studied by applicants in preparation for examination pursuant to this Section. Such textbooks, manuals and other materials may consist of matter available to applicants by purchase from the publisher or may consist of matter prepared at the direction of the State Board of Insurance and distributed to applicants upon request therefor and payment of the reasonable cost thereof. All examination questions shall be prepared from the contents of the textbooks, manuals and other materials designated or prepared by the State Board of Insurance pursuant to this Section and such questions shall be limited to and substantially similar to the questions relating to health and accident insurance contained in the written examination prescribed by the State Board of Insurance pursuant to Article 21.07-1 of this Insurance Code. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, the [The] State Board of Insurance shall charge each applicant a fee in an amount not to exceed \$20 as determined by the State Board of Insurance for the privilege of taking such written examination and which fee shall not be returned under any circumstances other than for failure to appear and take the examination after the

applicant has given at least 24 hours' notice of an emergency situation to the State Board of Insurance and received board approval. A new examination fee shall be paid for each and every examination.

(ii) The State Board of Insurance may also establish reasonable rules and regulations whereby, in the discretion of the State Board of Insurance, any insurance carrier may be permitted to conduct written examinations for its agents who have received temporary licenses by appointment of such carrier, subject to such reasonable conditions, requirements and standards as the State Board of Insurance shall require and establish as a predicate for the granting of such authority and for the reasonable supervision, examination and inspection of each such carrier's procedures in giving examinations to its temporary licensees, but provided further that such authority so granted to any insurance carrier to give such examinations may be terminated by the State Board of Insurance on notice and hearing if it shall find that such authorized insurance carrier shall have violated the conditions, requirements and standards required of such carrier to qualify to conduct written examinations.

SECTION 17. Section 4(f), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(f) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day on which a licensing examination is administered under this article, the commissioner of insurance shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner of insurance shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner of insurance receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner of insurance shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the licensing examination administered under this article, the commissioner of insurance shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 18. Section 4A(a), Article 21.07, Insurance Code, as amended, is amended to read as follows:

Sec. 4A. (a) Each applicant for a license under the provision of this Article 21.07, Insurance Code, as amended, who desires to write life insurance in excess of Five Thousand Dollars (\$5,000.00) upon any one life, other than as excepted in Section 3 of this Article 21.07, within this state shall submit to a personal written examination prescribed by the State Board of Insurance and administered in the English or Spanish language ~~[by the State Board of Insurance]~~ to determine his competency with respect to life insurance and his familiarity with pertinent provisions of the laws of the State of Texas relating to life insurance and shall pass the same to the satisfaction of the State Board of Insurance; except that no written examination shall be required of an applicant that is a corporation.

SECTION 19. Section 4A(b), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(b)(i) The State Board of Insurance shall, within sixty (60) days from the effective date of this Act, establish reasonable rules and regulations with respect to the scope, type and conduct of such written examination and the times and places within this State where such examinations shall be held. ~~[; applicants shall, however, be permitted to take such examinations at least once in each week at the office of the State Board of Insurance.]~~ The rules and regulations of the State Board of

Insurance shall designate textbooks, manuals and other materials to be studied by applicants in preparation for examination pursuant to this Section. Such textbooks, manuals and other materials may consist of matter available to applicants by purchase from the publisher or may consist of matter prepared at the direction of the State Board of Insurance and distributed to applicants upon request therefor and payment of the reasonable cost thereof. All examination questions shall be prepared from the contents of the textbooks, manuals and other materials designated or prepared by the State Board of Insurance pursuant to this Section. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, the [The] State Board of Insurance shall charge each applicant a fee in an amount not to exceed \$20.00 for the privilege of taking such written examination and which fee shall not be returned under any circumstances other than for failure to appear and take the examination after the applicant has given at least 24 hours' notice of an emergency situation to the State Board of Insurance and received board approval. A new examination fee shall be paid for each and every examination.

(ii) The State Board of Insurance may also establish reasonable rules and regulations whereby, in the discretion of the State Board of Insurance, any insurance carrier may be permitted to conduct written examinations for its agents, subject to such reasonable conditions, requirements and standards as the State Board of Insurance shall require and establish as a predicate for the granting of such authority and for the reasonable supervision, examination and inspection of each such carrier's procedures in giving examinations to its agents, but provided further that such authority so granted to any insurance carrier to give such examinations may be terminated by the State Board of Insurance on notice and hearing if it shall find that such authorized insurance carrier shall have violated the conditions, requirements and standards required of such carrier to qualify to conduct written examinations.

SECTION 20. Section 5, Article 21.07, Insurance Code, is amended to read as follows:

Sec. 5. FAILURE OF APPLICANT TO QUALIFY FOR LICENSE. If the State Board of Insurance is not satisfied that the applicant for a license is trustworthy and of good character, or, if applicable, that the applicant, if required to do so, has not passed the written examination to the satisfaction of the State Board of Insurance, the State Board of Insurance shall forthwith notify the applicant and the insurance carrier in writing that the license will not be issued to the applicant~~[-and return to said agent the fee for application for license and the fee for appointment].~~

SECTION 21. Section 6, Article 21.07, Insurance Code, as amended, is amended to read as follows:

Sec. 6. Any agent licensed under this Article may represent and act as an agent for more than one insurance carrier at any time while his or its license is in force, if he or it so desires. Any such agent and the insurance carrier involved must give notice to the State Board of Insurance of any additional appointment or appointments authorizing him or it to act as agent for an additional insurance carrier or carriers. Such notice must set forth the insurance carrier or carriers which the agent is then licensed to represent, and shall be accompanied by a certificate from each insurance carrier to be named in each additional appointment, that said insurance company desires to appoint the applicant as its agent. This notice shall also contain such other information as the State Board of Insurance may require. The agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance for each additional appointment applied for, which fee shall accompany the notice.

SECTION 22. Section 7(b), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(b) Licenses which have not expired or which have not been suspended or revoked may be renewed ~~[upon request in writing of the agent.]~~ by filing with the State Board of Insurance a renewal application and paying the renewal fee set by the board, on or before the expiration of the license.

SECTION 23. Section 7(e), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(e) ~~[An unexpired license may be renewed by paying the required renewal fee to the State Board of Insurance before the expiration date of the license.]~~ If a license has been expired for not longer than 90 days, the license may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the required renewal application and paying the renewal fee set by the board, and a fee that is one-half of the original license fee. If a license has been expired for longer than 90 days but less than two years, the license may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the renewal application and paying all unpaid renewal fees and a fee that is equal to the original license fee. If a license has been expired for two years or longer, the license may not be renewed. A new license may be obtained by complying with the requirements and procedures for obtaining an original license. At least 30 days before the expiration of a license, the commissioner of insurance shall send written notice of the impending license expiration to the licensee at his or its last known address. This subsection may not be construed to prevent the board from denying or refusing to renew a license under applicable law or rules of the State Board of Insurance.

SECTION 24. Section 10(b), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(b) Before any license shall be denied (except for failure to pass a required written examination), ~~[or suspended or revoked, or the renewal thereof refused hereunder;]~~ the Board shall give notice ~~[of its intention so to do, by registered mail,]~~ to the applicant for ~~[or holder of,]~~ such license and the insurance carrier ~~[whom he or it represents or]~~ who desires that he or it be licensed ~~[, and]~~. Before any license shall be suspended or revoked, or the renewal thereof refused hereunder, the Board shall give notice to the holder of such license and to any insurance carrier with whom the agent holds an appointment and whose business is directly involved in the subject matter of any allegations of wrongdoing leveled against such agent. The Board shall set a date not less than twenty days from the date of mailing such notice when the applicant or licensee and a duly authorized representative of the insurance carrier may appear to be heard and produce evidence. In the conduct of such hearing, the Board or any regular salaried employee specially designated by it for such purpose shall have power to administer oaths, to require the appearance of and examine any person under oath, and to require the production of books, records or papers relevant to the inquiry upon its own initiative or upon the request of the applicant or licensee. Upon termination of such hearings, findings shall be reduced to writing and, upon approval by the Board, shall be filed in its office and notice of the findings sent by registered mail to the applicant or licensee and [the] any insurance carrier [concerned] that has notified the Board that it desires that such applicant be licensed or that it has appointed such agent.

SECTION 25. Section 14(a), Article 21.07, Insurance Code, as amended, is amended to read as follows:

Sec. 14. (a) It shall be the duty of the State Board of Insurance to collect from every agent of any insurance carrier writing insurance in the State of Texas under the provisions of this Article, a nonrefundable licensing fee and ~~[an]~~ a nonrefundable initial appointment fee, as provided in Subsection (b) of this section, for each and every appointment by any insurance carrier, which fees together with examination fees and renewal license fees shall be deposited in the State Treasury to the credit of the State Board of Insurance operating fund and shall be used by

the State Board of Insurance to enforce the provisions of this Article and all laws of this State governing and regulating agents for such insurance carriers.

SECTION 26. Section 19(b), Article 21.07, Insurance Code, as amended, is amended to read as follows:

(b) The State Board of Insurance may, upon request of such insurer on application forms furnished by the State Board of Insurance and upon payment of a nonrefundable license fee in an amount not to exceed \$50 as determined by the State Board of Insurance, issue such license to such person which will be valid only for such limited representation of such insurer as provided herein. The application shall be accompanied by a certificate, on forms to be prescribed and furnished by the State Board of Insurance and signed by an officer or properly authorized representative of the insurance company the applicant proposes to represent, stating that the insurance company has investigated the character and background of the applicant and is satisfied that the applicant is trustworthy and qualified to hold himself out in good faith as an insurance agent, and that the insurance company desires that the applicant act as an insurance agent to represent the insurance company. The insurer shall also certify to the State Board of Insurance that it has provided the applicant with at least forty (40) hours of training, has tested the applicant and found the applicant qualified to represent the insurer, and that the insurer is willing to be bound by the acts of such applicant within the scope of such limited representation.

SECTION 27. Article 21.07, Insurance Code, as amended, is amended by adding Section 20 to read as follows:

**Duplicate License; Fee**

Sec. 20. The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 28. Section 4(a), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

Sec. 4. (a) Each applicant for a license to act as a life insurance agent within this State shall file with the Insurance Commissioner his or its written application on forms furnished by the Commissioner. The application shall be signed and duly sworn by the applicant. The prescribed form shall require the applicant to state his full name; residence; age; occupation and place of business for five years preceding date of the application; whether applicant has ever held a license to solicit life, or any other insurance in any State; whether he has been refused, or has had suspended or revoked a license to solicit life, or any other insurance in any State; what insurance experience, if any, he has had; what instruction in life insurance and in the insurance laws of this State he has had or expects to have; whether any insurer or general agent claims applicant is indebted under any agency contract, and if so, the name of the claimant, the nature of the claim and the applicant's defense thereto; whether applicant has had an agency contract cancelled and, if so, when, by what company or general agent and the reasons therefor; whether applicant will devote all or part of his efforts to acting as a life insurance agent, and, if part only, how much time he will devote to such work, and in what other business or businesses he is engaged or employed; whether, if the applicant is [a] married [woman], [her] the applicant's [husband] spouse has ever applied for or held a license to solicit life, or any other insurance in any State and whether such license has been refused, suspended; or revoked; and such other information pertinent to the licensing of such agent as the Insurance Commissioner in his discretion may prescribe. It is not intended that the Insurance Commissioner shall be authorized to deny a license to an applicant on the sole ground that he will act only part time as a life insurance agent.

SECTION 29. Section 4(c), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:



(c) The application, when filed, shall be accompanied by a nonrefundable filing fee in an amount not to exceed \$50 as determined by the State Board of Insurance and, in the case of applicants required to take an examination administered by the Commissioner of Insurance as hereafter prescribed, unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, by an examination fee in an amount not to exceed \$20 as determined by the State Board of Insurance. ~~[In the event an applicant fails to qualify for, or is refused a license, the filing fee shall be returned; the]~~ The examination fee shall not be returned for any reason other than for failure to appear and take the examination after the applicant has given at least 24 hours' notice of an emergency situation to the Commissioner of Insurance and received the commissioner's approval. A new examination fee shall be paid for each and every examination.

SECTION 30. Subsection 3, Section 4(d), Article 21.07-1, Insurance Code, is amended to read as follows:

(3) That such corporation will have the ability to pay any sums up to \$25,000.00 which it might become legally obligated to pay on account of any claim made against it by any customer and caused by any negligent act, error, or omission of the corporation or any person for whose acts the corporation is legally liable in the conduct of its business as under this Act. The term "customer" as used herein shall mean any person, firm, or corporation to whom such corporation sells or attempts to sell a policy of insurance or from whom such corporation accepts an application for insurance. Such ability shall be proven in one of the following ways:

(A) An errors and omissions policy insuring such corporation against errors and omissions in at least the sum of \$50,000.00, with no more than a \$2,500.00 deductible feature issued by an insurance company licensed to do business in the State of Texas or, if a policy cannot be obtained from a company licensed to do business in Texas, a policy issued by a company not licensed to do business in Texas on filing an affidavit with the State Board of Insurance stating the inability to obtain coverage and receiving the Board's approval; or

(B) A bond executed by such corporation as principal and a surety company authorized to do business in this State, as surety, in the principal sum of \$25,000.00, payable to the State Board of Insurance for the use and benefit of customers of such corporation, conditioned that such corporation shall pay any final judgment recovered against it by any customer; or

(C) A deposit of cash or securities of the class authorized by Articles 2.08 and 2.10 of the Insurance Code, having a fair market value of \$25,000.00 with the State Treasurer. The State Treasurer is hereby authorized and directed to accept and receive such deposit and hold it exclusively for the protection of any customer of such corporation recovering a final judgment against such corporation. Such deposit may be withdrawn only upon filing with the Insurance Commissioner evidence satisfactory to it that the corporation has withdrawn from business and has no unsecured liabilities outstanding, or that such corporation has provided for the protection of its customers by furnishing an errors and omissions policy or a bond as hereinbefore provided. Securities so deposited may be exchanged from time to time for other qualified securities.

A binding commitment to issue such a policy or bond, or the tender of such securities, shall be sufficient in connection with any application for license.

Nothing contained herein shall be construed to permit any unlicensed employee or agent of any corporation to perform any act of an agent under this Act without obtaining a license.

If at any time, any corporation holding a license under this Act does not maintain the qualifications necessary to obtain a license, the license of such corporation to act as an agent shall be cancelled or denied in accordance with the

provisions of Sections 12, and 13 of this Act; provided, however, that should any person who is not an agent licensed under this Act acquire shares in such a corporation by devise or descent, they shall have a period of 90 days from date of acquisition within which to obtain a license as an agent or to dispose of the shares to an agent licensed under this Act.

Should such an unlicensed person acquire shares in such a corporation and not dispose of them within said period of 90 days to a licensed agent, then they must be purchased by the corporation for their book value, that is, the value of said shares of stock as reflected by the regular books and records of said corporation as of the date of the acquisition of said shares by said unlicensed person. Should the corporation fail or refuse to so purchase such shares, its license shall be cancelled.

Any such corporation shall have the power to redeem the shares of any shareholder, or the shares of a deceased shareholder, upon such terms as may be agreed upon by the board of directors and such shareholder or his personal representative, or at such price and upon such terms as may be provided in the articles of incorporation, the bylaws, or an existing contract entered into between the shareholders of the corporation.

Each corporation licensed as an agent under this Act shall file, under oath, a list of the names and addresses of all of its officers, directors and shareholders with its [yearly] application for renewal license.

Each corporation licensed as an agent under this Act shall [immediately] notify the State Board of Insurance upon any change in its officers, directors, or shareholders not later than the 30th day after the date on which the change became effective.

No other corporation may own any interest in a corporation licensed under this Act, and each owner of an interest in a corporation licensed under this Act shall be a natural person who holds a valid license issued under this Act.

No association, partnership, or any legal entity of any nature, other than an individual person or corporation, may be licensed as a life insurance agent.

SECTION 31. Section 5(b), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(b) The Commissioner shall establish rules and regulations with respect to the scope, type and conduct of such written examinations and the times and places within this State where they shall be held. ~~[; provided, that applicants shall be permitted to take such examinations at least once in each week at the office of the Commissioner, and at least once in each month in the county courthouse of the residence of the applicant.]~~ The rules and regulations of the Commissioner shall designate text books, manuals and other materials to be studied by applicants in preparation for examinations pursuant to this section. Such text books, manuals or other materials may consist of matter available to applicants by purchase from the publisher or may consist of matter prepared at the direction of the Commissioner and distributed to applicants upon request therefor and payment of the reasonable cost thereof. All examination questions shall be prepared from the contents of the text books, manuals and other materials designated or prepared by the Commissioner pursuant to this Section.

SECTION 32. Subdivision 4, Section 5(d), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(4) It shall be the duty of the Commissioner to investigate the manner and method of instruction and examination of each combination and industrial insurer as often as deemed necessary by the Commissioner and the Commissioner may, in his discretion, withdraw from any insurer the privilege of examining agents in lieu of the examination ~~[administered by the Commissioner pursuant to]~~ prescribed in Subsection (a) of this Section 5.

SECTION 33. Section 5(e), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(e) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not ~~[Not]~~ later than the 30th day after the day on which a licensing examination is administered under this article, the commissioner of insurance shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a ~~[national]~~ testing service, the commissioner of insurance shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner of insurance receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner of insurance shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the licensing examination administered under this Act, the commissioner of insurance shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 34. Section 6(a), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

**Issuance or Denial of License**

Sec. 6. ~~[(a)]~~ If the ~~[Life Insurance]~~ Commissioner is satisfied that the applicant is trustworthy and competent and after the applicant, if required to do so, has passed the written examination to the satisfaction of the Commissioner, a license shall be issued forthwith. ~~If the [application has not passed the written examination, or if] license is denied for any of the reasons set forth in Section 12 of this Act, the [Life Insurance] Commissioner shall notify the applicant and the insurer in writing that the license will not be issued to the applicant.~~

SECTION 35. Section 7, Article 21.07-1, Insurance Code, as amended, is amended by adding Subsection (c) to read as follows:

(c) Persons who reside in a town through which the state line may run and whose residence is located in the town in the adjoining state may be licensed as a resident agent if their business office is being maintained in this state.

SECTION 36. Section 8(a), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

Sec. 8. (a) Any life insurance agent licensed in this state may represent and act as a life insurance agent for more than one legal reserve life insurance company at any time while his or its license is in force, if he or it so desires. Any such life insurance agent and the company involved must give notice to the Commissioner of Insurance of any additional appointment or appointments authorizing him or it to act as a life insurance agent for an additional legal reserve life insurance company or companies. Such notice must set forth the insurer or insurers which the agent is then licensed to represent, and shall be accompanied by a certificate from each insurer to be named in each additional appointment, that said insurer desires to appoint the applicant as its agent. This notice shall also contain such other information as the Commissioner may require. The agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance for each additional appointment applied for, which fee shall accompany the notice. Any insurer may file a request with the Insurance Commissioner for notification in the event any agent licensed to represent such insurer has given the Commissioner of Insurance notice of an additional appointment to represent another insurer; and in such event the Commissioner shall notify the insurer filing such request.

SECTION 37. Section 9(b), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(b) Licenses which have not expired or which have not been suspended or revoked may be renewed [upon request in writing of the agent.] by filing with the

board a renewal application and paying the renewal fee set by the board on or before the expiration of the license.

SECTION 38. Section 9(f), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(f) ~~[An unexpired license may be renewed by paying the required renewal fee to the State Board of Insurance before the expiration date of the license.]~~ If a license has been expired for not longer than 90 days, the license may may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the required renewal application and fee, and a fee that is one-half of the original license fee. If a license has been expired for longer than 90 days but less than two years, the license may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the renewal application and all unpaid renewal fees and a fee that is equal to the original license fee. If a license has been expired for two years or longer, the license may not be renewed. A new license may be obtained by complying with the requirements and procedures for obtaining an original license. At least 30 days before the expiration of a license, the commissioner of insurance shall send written notice of the impending license expiration to the licensee at his or its last known address. This subsection may not be construed to prevent the board from denying or refusing to renew a license under applicable law or rules of the State Board of Insurance.

SECTION 39. Section 12(b), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(b) Before any license shall be denied (except for failure to pass a required written examination), ~~[or suspended or revoked, or the renewal thereof refused hereunder;]~~ the ~~[Insurance Commissioner]~~ Board shall give notice ~~[of his intention so to do, by registered mail;]~~ to the applicant for ~~[-or holder of]~~ such license and the insurer ~~[whom he or it represents or]~~ who desires that he or it be licensed~~[-and]~~. Before any license shall be suspended or revoked, or the renewal thereof refused hereunder, the Board shall give notice to the holder of such license and to any insurance carrier with whom the agent holds an appointment and whose business is directly involved in the subject matter of any allegations of wrongdoing leveled against such agent. The Board shall set a date not less than twenty days from the date of mailing such notice when the applicant or licensee and a duly authorized representative of the insurance carrier may appear to be heard and produce evidence. In the conduct of such hearing, the Commissioner or any regular salaried employee specially designated by him for such purpose shall have power to administer oaths, to require the appearance of and examine any person under oath, and to require the production of books, records or papers relevant to the inquiry upon his own initiative or upon the request of the applicant or licensee. Upon termination of such hearings, findings shall be reduced to writing and, upon approval by the Commissioner, shall be filed in his office and notice of the findings sent by registered mail to the applicant or licensee and [the insurer] any insurance carrier that has notified the Board that it desires that such applicant be licensed or that it has appointed such agent [concerned].

SECTION 40. Section 16(c), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(c) Each applicant for a license under this section who desires to act as an accident and health insurance agent within this state shall submit to a personal written examination prescribed by the State Board of Insurance and administered in the English or Spanish language ~~[by the State Board of Insurance]~~ to determine the applicant's competency with respect to accident and health insurance and familiarity with the pertinent provisions of the health and accident insurance laws of this state. Except as provided by Subsection (d) of this section, each applicant must pass the examination to the satisfaction of the State Board of Insurance.

SECTION 41. Section 16(e), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(e) Within 60 days after the effective date of this section the State Board of Insurance shall establish reasonable rules relating to the scope, type, and conduct of the written examination to be required of an applicant hereunder and the times and the places in this state where examinations will be held. ~~[Applicants also may take the examinations at least once in each week at the office of the State Board of Insurance.]~~

SECTION 42. Section 16(g), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(g) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, the [The] State Board of Insurance shall charge each applicant a fee not to exceed \$25 for the privilege of taking the written examination, and the fee may not be returned under any circumstance other than for failure to appear and take the examination after the applicant has given at least 24 hours' notice of an emergency situation to the State Board of Insurance and received approval of such failure to appear. A new examination fee shall be paid for each subsequent examination.

SECTION 43. Section 16(h), Article 21.07-1, Insurance Code, as amended, is amended to read as follows:

(h) After the State Board of Insurance determines that an applicant has successfully passed the written examination or is exempt therefrom as provided in Subsection (d) above, and the board has determined the applicant to be of good character and reputation, has been appointed to act as an agent by one or more legal reserve life insurance companies, and has paid a nonrefundable license fee not to exceed \$50 as determined by the board [of \$25], the board shall issue a license to such applicant authorizing the applicant to act as an accident and health insurance agent for the appointing insurance carrier.

SECTION 44. Article 21.07-1, Insurance Code, as amended, is amended by adding Section 17 to read as follows:

**Duplicate License; Fee**

Sec. 17. The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 45. Section 5, Article 21.07-2, Insurance Code, as amended, is amended to read as follows:

Sec. 5. The licensing and regulation of a Life Insurance Counselor, as that term is defined herein, shall be in the same manner and subject to the same requirements as applicable to the licensing of agents of legal reserve life insurance companies as provided in Article 21.07-1 of the Texas Insurance Code, 1951, or as provided by any existing or subsequent applicable law governing the licensing of such agents, and all the provisions thereof are hereby made applicable to applicants and licensees under this Act, except that a Life Insurance Counselor shall not advertise in any manner and shall not circulate materials indicating professional superiority or the performance of professional service in a superior manner; provided, however, that an appointment to act for an insurer shall not be a condition to the licensing of a Life Insurance Counselor.

In addition to the above requirements, the applicant for licensure as a Life Insurance Counselor shall submit to the Commissioner evidence of high moral and ethical character, documentation that he has been licensed as a life insurance agent in excess of three years. After the Insurance Commissioner has satisfied himself as to these requirements, he shall then cause the applicant for a Life Insurance Counselor's license to sit for an examination which shall include the following:

Such examination shall consist of five subjects areas:

(a) Fundamentals of life and health insurance;

- (b) Group life insurance, pensions and health insurance;
- (c) Law, trust and taxation;
- (d) Finance and economics; and
- (e) Business insurance and estate planning.

No license shall be granted until such individual shall have successfully passed each of the five parts above enumerated. Such examinations may be given and scheduled by the Commissioner at his discretion. Individuals currently holding Life Insurance Counselor licenses issued by the Texas State Board of Insurance, who do not have the equivalent of the requirements above listed, shall have one year from the date of enactment hereof to so qualify.

Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this Section, the Commissioner shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the Commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the Commissioner receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the Commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the licensing examination administered under this Section, the Commissioner shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 46. Section 6, Article 21.07-3, Insurance Code, as amended, is amended to read as follows:

Sec. 6. Each applicant for a license shall submit to, and must pass to the satisfaction of the commissioner, a written examination compiled ~~[and administered]~~ by the commissioner testing applicant's competence with respect to insurance and familiarity with the insurance laws of this state.

SECTION 47. Section 8, Article 21.07-3, Insurance Code, as amended, is amended to read as follows:

Sec. 8(a) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, all [All] examinations provided hereunder shall be conducted by the commissioner at such times and places as prescribed by the commissioner, but not less than four times annually. Applicants shall be given ten days' notice of the time and place of such examinations. All examinations shall be in writing.

(b) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this section, the commissioner shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day.

(c) If requested in writing by a person who fails the licensing examination administered under this section, the commissioner shall send, or require the testing

service to send, to the person an analysis of the person's performance on the examination.

SECTION 48. Section 10, Article 21.07-3, Insurance Code, as amended, is amended to read as follows:

Sec. 10. Any applicant for a managing general agent's license shall pay a nonrefundable fee at the time application is made in an amount not to exceed \$30 as determined by the State Board of Insurance.

Any ~~[application]~~ applicant for the renewal of a managing general agent's license shall pay a nonrefundable fee at the time application is made in an amount not to exceed \$50 as determined by the State Board of Insurance.

The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 49. Subsection (c), Section 11, Article 21.07-3, Insurance Code, as amended, is amended to read as follows:

(c) Each appointment to act as a managing general agent must be reported to the commissioner on forms required by him. For each additional appointment for which the agent applies, the agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance.

SECTION 50. Section 10, Article 21.07-4, Insurance Code, as amended, is amended to read as follows:

Sec. 10. (a) Each applicant for a license as an adjuster shall, prior to the issuance of such license, personally take and pass, to the satisfaction of the commissioner, an examination ~~[given by the commissioner]~~ as a test of his qualifications and competency; but the requirement of an examination shall not apply to any of the following:

(1) an applicant who for the 90-day period next preceding the effective date of this Act has been principally engaged in the investigation, adjustment, or supervision of losses and who is so engaged on the effective date of this Act;

(2) an applicant for the renewal of a license issued hereunder; or

(3) an applicant who is licensed as an insurance adjuster, as defined by this statute, in another state with which state a reciprocal agreement has been entered into by the commissioner;

(4) any person who has completed a course or training program in adjusting of losses as prescribed and approved by the commissioner and is certified to the commissioner upon completion of the course that such person has completed said course or training program, and has passed an examination testing his knowledge and qualification, as prescribed by the commissioner.

(b) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this section, the commissioner shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day.

(c) If requested in writing by a person who fails the licensing examination administered under this section, the commissioner shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 51. Section 12(a), Article 21.07-4, Insurance Code, as amended, is amended to read as follows:

Sec. 12. (a) The answers of the applicant to any such examination shall be made in writing ~~[written]~~ by the applicant ~~[under supervision of the commissioner]~~. Any such written examination may be supplemented by oral examination.

SECTION 52. Section 14(a), Article 21.07-4, Insurance Code, as amended, is amended to read as follows:

Sec. 14. (a) The commissioner shall collect in advance the following nonrefundable fees for an adjuster's license and examination:

(1) Insurance adjuster's license, each year, in an amount not to exceed \$50 as determined by the board.

(2) For each examination, if given by the board, a fee, in an amount not to exceed \$50 as determined by the board.

SECTION 53. Article 21.07-4, Insurance Code, as amended, is amended by adding Section 23 to read as follows:

**Duplicate License; Fee**

Sec. 23. The Commissioner of Insurance shall collect in advance from adjusters requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 54. Section 3(c), Article 21.14, Insurance Code, as amended, is amended to read as follows:

(c) The Board shall issue a license to a corporation if the Board finds:

(1) That the corporation is a Texas corporation organized or existing under the Texas Business Corporation Act or the Texas Professional Corporation Act having its principal place of business in the State of Texas and having as one of its purposes the authority to act as a local recording agent; and

(2) That every officer, director and shareholder of the corporation is individually licensed as a local recording agent under the provisions of this Insurance Code, except as may be otherwise permitted by this Section or Section 3a of this article, and that no shareholder of the corporation is a corporate entity; and

(3) That such corporation will have the ability to pay any sums up to Twenty-Five Thousand Dollars (\$25,000.00) which it might become legally obligated to pay on account of any claim made against it by any customer and caused by any negligent act, error or omission of the corporation or any person for whose acts the corporation is legally liable in the conduct of its business as a local recording agent. The term "customer" as used herein shall mean any person, firm or corporation to whom such corporation sells or attempts to sell a policy of insurance, or from whom such corporation accepts an application for insurance. Such ability shall be proven in one of the following ways:

(a) An errors and omissions policy issued by an insurance company licensed to do business in the State of Texas insuring such corporation against errors and omissions in at least the sum of One-Hundred Thousand Dollars (\$100,000.00), with no more than a Five Thousand Dollars (\$5,000.00) deductible feature; or

(b) A bond executed by such corporation as principal and a surety company authorized to do business in this state, as surety, in the principal sum of Twenty-Five Thousand Dollars (\$25,000.00), payable to the State Board of Insurance for the use and benefit of customers of such corporation, conditioned that such corporation shall pay any final judgment recovered against it by any customer; or

(c) A deposit of cash or securities of the class authorized by Articles 2.08 and 2.10 of this Code, having a fair market value of Twenty-Five Thousand Dollars (\$25,000.00) with the State Treasurer. The State Treasurer is hereby authorized and directed to accept and receive such deposit and hold it exclusively for the protection of any customer of such corporation recovering a final judgment against such



corporation. Such deposit may be withdrawn only upon filing with the Board evidence satisfactory to it that the corporation has withdrawn from business, and has no unsecured liabilities outstanding, or that such corporation has provided for the protection of its customers by furnishing an errors and omissions policy or a bond as hereinbefore provided. Securities so deposited may be exchanged from time to time for other qualified securities.

A binding commitment to issue such a policy or bond, or the tender of such securities, shall be sufficient in connection with any application for license.

Nothing contained herein shall be construed to permit any unlicensed employee or agent of any corporation to perform any act of a local recording agent without obtaining a local recording agent's license. The Board shall not require a corporation to take the examination provided in Section 6 of this Article 21.14.

If at any time, any corporation holding a local recording agent's license does not maintain the qualifications necessary to obtain a license, the license of such corporation to act as a local recording agent shall be cancelled or denied in accordance with the provisions of Sections 16, 17 and 18 of this Article 21.14; provided, however, that should any person who is not a licensed local recording agent acquire shares in such a corporation by devise or descent, they shall have a period of ninety (90) days from date of acquisition within which to obtain a license as a local recording agent or to dispose of the shares to a licensed local recording agent except as may be permitted by Section 3a of this article.

Should such an unlicensed person, except as may be permitted by Section 3a of this article, acquire shares in such a corporation and not dispose of them within said period of ninety (90) days to a licensed local recording agent, then they must be purchased by the corporation for their book value, that is, the value of said corporation, as of the date of the acquisition of said shares by said unlicensed person. Should the corporation fail or refuse to so purchase such shares, its license shall be cancelled.

Any such corporation shall have the power to redeem the share of any shareholder, or the shares of a deceased shareholder, upon such terms as may be agreed upon by the Board of Directors and such shareholder or his personal representative, or at such price and upon such terms as may be provided in the Articles of Incorporation, the Bylaws, or an existing contract entered into between the shareholders of the corporation.

Each corporation licensed as a local recording agent shall file, under oath, a list of the names and addresses of all of its officers, directors and shareholders with its [yearly] application for renewal license.

Each corporation licensed as a local recording agent shall [immediately] notify the State Board of Insurance upon any change in its officers, directors or shareholders not later than the 30th day after the date on which the change became effective.

The term "firm" as it applies to local recording agents in Sections 2, 12 and 16 of this Article 21.14 shall be construed to include corporations.

SECTION 55. Section 7, Article 21.14, Insurance Code, as amended, is amended to read as follows:

Sec. 7. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, all [A#] examinations provided by this article shall be conducted by the State Board of Insurance, and shall be held not less frequently than one each sixty (60) days every year at times and places prescribed by the State Board of Insurance, of which applicants shall be notified by the State Board of Insurance in writing, ten (10) days prior to the date of such examinations, and shall be conducted in writing in either the English or Spanish language[~~, except that the applicant upon notice to the State Board of Insurance shall be entitled to be~~

~~examined in the county seat of the county of his residence].~~ Provided, further, that printed copies of a manual of questions and answers thereto pertaining to the examination published under the direction of the State Board of Insurance shall be made available to all companies, general agents, and managers for the use of their prospective agents, to all agents for the use of their prospective solicitors in preparing for such examination. The questions to be asked on such examination shall be based upon the questions and answers contained in the manual.

SECTION 56. Section 7a, Article 21.14, Insurance Code, as amended, is amended to read as follows:

Sec. 7a. (a) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this article, the commissioner of insurance shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner of insurance receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day.

(b) If requested in writing by a person who fails the licensing examination administered under this article, the commissioner of insurance shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 57. Section 9, Article 21.14, Insurance Code, as amended, is amended to read as follows:

Sec. 9. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, applicants [Applicants] required to be examined shall, at time and place of examination, pay prior to being examined on the following fees: For a local recording agent's license a fee in an amount not to exceed \$50 as determined by the State Board of Insurance and for a solicitor's license a fee in an amount not to exceed \$20 as determined by the State Board of Insurance. The fees paid under this section shall not be returned for any reason other than failure to appear and take the examination after the applicant has given at least 24 hours' notice of an emergency situation to the State Board of Insurance and received board approval. A new fee shall be paid before each and every examination.

SECTION 58. Section 11, Article 21.14, Insurance Code, as amended, is amended to read as follows:

Sec. 11. ISSUANCE OF LICENSE. (a) Whenever the provisions of this article have been complied with, the Board shall issue to any applicant the license applied for where such applicant shall have satisfactorily passed the examination prescribed [given] by the State Board of Insurance [Commissioners], and who shall possess the other qualifications required by this article.

(b) The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 59. Section 12(a), Article 21.14, Insurance Code, as amended, is amended to read as follows:

Sec. 12. (a) After a person or firm shall be granted a license as a local recording agent in this state, he shall be authorized to act as such local recording agent in this state, only after and during the time such person or firm has been authorized so to do, by an insurance company or carrier having a permit to do business in this state;

and when so authorized each company or carrier or its general or state or special agent making the appointment shall immediately notify the Commissioner of Insurance, on such form as the Commissioner may require, of the appointment. The agent shall be required to pay a nonrefundable fee of \$8.00 for each appointment applied for, which fee shall accompany the notice, and such person or firm shall be presumed to be the agent for such company in this state until such company or its general or state or special agent shall have delivered written notice to the Commissioner of Insurance that such appointment has been withdrawn.

SECTION 60. Paragraph (b), Article 23.23, Insurance Code, as amended, is amended to read as follows:

(b) The Commissioner of Insurance shall collect in advance from agents of corporations complying with this chapter a nonrefundable license fee in an amount not to exceed \$50 as determined by the State Board of Insurance ~~[and]~~. Unless the State Board of Insurance accepts a qualifying examination administered by a testing service as provided under Article 21.01-1, Insurance Code, as amended, the Commissioner of Insurance shall also collect in advance from such agents an examination fee in an amount not to exceed \$20 as determined by the State Board of Insurance. A new examination fee shall not be returned under any circumstances other than for failure to appear and take the examination after the applicant has given at least 24 hours notice of an emergency situation to the Commissioner of Insurance and received the commissioner's approval.

SECTION 61. Paragraph (d), Article 23.23, Insurance Code, as amended, is amended to read as follows:

(d) Licenses which have not expired or which have not been suspended or revoked may be renewed ~~[upon request in writing of the agent and payment of a renewal fee]~~ by filing with the board on or before the expiration date of the license a renewal application and fee in an amount not to exceed \$50 as determined by the State Board of Insurance.

SECTION 62. Paragraph (e), Article 23.23, Insurance Code, as amended, is amended to read as follows:

(e) Any agent licensed under this article may represent and act as an agent for more than one corporation complying with this chapter at any time while his or its license is in force, if he or it so desires. Any such agent and the corporation complying with this chapter involved must give notice to the State Board of Insurance of any additional appointment or appointments authorizing him or it to act as an agent for an additional corporation complying with this chapter. Such notice must set forth the corporation or corporations complying with this chapter which the agent is then licensed to represent and shall be accompanied by a certificate from each corporation complying with this chapter to be named in each additional appointment that said corporation desires to appoint the applicant as its agent. This notice shall also contain such other information as the State Board of Insurance may require. The agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance for each additional appointment applied for, which fee shall accompany the notice.

SECTION 63. Paragraph (g), Article 23.23, Insurance Code, as amended, is amended to read as follows:

(g) ~~[An unexpired license may be renewed by paying the required renewal fee to the State Board of Insurance before the expiration date of the license.]~~ If a license has been expired for not longer than 90 days, the license may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the required renewal application and fee, and a fee that is one-half of the original license fee. If a license has been expired for longer than 90 days but less than two years, the license may be renewed by ~~[paying to]~~ filing with the State Board of Insurance the renewal application and all unpaid renewal fees and a fee that is equal to the original license fee. If a license has been

expired for two years or longer, the license may not be renewed. A new license may be obtained by complying with the requirements and procedures for obtaining an original license. At least 30 days before the expiration of a license, the commissioner of insurance shall send written notice of the impending license expiration to the licensee at his or its last known address. This subsection may not be construed to prevent the board from denying or refusing to renew a license under applicable law or rules of the State Board of Insurance.

SECTION 64. Paragraph (i), Article 23.23, Insurance Code, as amended, is amended to read as follows:

(i) Unless the State Board of Insurance accepts a qualifying examination administered by a testing service, as provided under Article 21.01-1, Insurance Code, as amended, not [Not] later than the 30th day after the day on which a licensing examination is administered under this article, the commissioner of insurance shall send notice to each examinee of the results of the examination. If an examination is graded or reviewed by a [national] testing service, the commissioner shall send, or require the testing service to send, notice to the examinees of the results of the examination within two weeks after the date on which the commissioner of insurance receives the results from the testing service. If the notice of the examination results will be delayed for longer than 90 days after the examination date, the commissioner shall send, or require the testing service to send, notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the licensing examination administered under this article, the commissioner of insurance shall send, or require the testing service to send, to the person an analysis of the person's performance on the examination.

SECTION 65. Article 23.23, Insurance Code, as amended, is amended by adding Paragraph (l) to read as follows:

(l) The Commissioner of Insurance shall collect in advance from agents requesting duplicate licenses a fee not to exceed \$20. The State Board of Insurance shall determine the amount of the fee.

SECTION 66. Chapter 21, Insurance Code, as amended, is amended by adding Article 21.01-1 to read as follows:

**Art. 21.01-1. Agents' Qualifying Examination  
to be Prescribed by the Board**

The State Board of Insurance may, at its discretion, accept examinations administered by a testing service as satisfying the examination requirements of persons seeking license as agents, solicitors, counselors or adjusters under this code. The State Board of Insurance may negotiate agreements with such testing services to include performance of examination development, test scheduling, examination site arrangements, and test administration, grading, reporting and analysis. The State Board of Insurance may require such testing services to correspond directly with the applicants with regards to the administration of such examinations, and that such testing services collect fees for administering such examinations directly from the applicants. The State Board of Insurance may stipulate that any agreements with such testing services provide for the administration of examinations in specific locales and at specified frequencies. The State Board of Insurance shall retain the authority to establish the scope and type of all examinations. Prior to negotiating and making any agreement with any testing service as authorized hereby, the State Board of Insurance shall hold a public hearing thereon in accordance with the provisions of Article 6252-13a, Section 5, Revised Civil Statutes of Texas, and shall adopt such rules, regulations and standards as may be deemed appropriate by the Board to implement the authority granted in this Article.

The commissioner may appoint advisory boards consisting of any of the following persons: persons holding a license for which the respective examinations

are intended, persons who are employed by insurance companies appointing such licensees, persons acting as general agents or managers, persons teaching insurance at an accredited college or university in Texas, persons who are citizens of the State of Texas but who are not of any of the preceding descriptions, or any combination of such persons. The function of such advisory boards will be to make recommendations to the State Board of Insurance or the testing service with respect to the scope, type and conduct of such examinations and the times and places within the state where they shall be held. The members of such advisory boards shall serve without pay but shall be reimbursed for their reasonable expenses in attending meetings of their respective advisory boards.

In the absence of an agreement with a testing service, the State Board of Insurance shall administer any required qualifying examination in accordance with the provisions of the respective statutes governing the issuance of the license sought by the applicant.

SECTION 67. This Act takes effect September 1, 1985.

SECTION 68. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Floor Amendment No. 1 - A. Smith

Amend C.S.S.B. 1238 as follows:

- (1) On page 5, line 24, strike "Section B,".
- (2) On page 5, strike lines 26 and 27, and on page 6, strike lines 1-9.
- (3) On page 6, strike lines 10-12 and substitute the following:

C. The Board shall grant such license, if it determines from the application and its own investigation that the foregoing requirements have been met.

- (4) On page 47, strike lines 13-17 and substitute the following:

The term "firm" as it applies to local recording agents in Sections 2, 12 and 16 of this Article 21.14 shall be construed to include corporations.

SECTION 55. Section 7, Article 21.14, Insurance Code, as amended, is amended to read as follows:

Floor Amendment No. 2 - Gavin

Amend C.S.S.B. 1238 by adding a new SECTION 68 thereto, and renumbering the SECTION 68 as SECTION 69. The new SECTION 68 shall read as follows:

SECTION 68. Section 18, Article 21.07, Insurance Code, as amended, is amended to read as follows:

Sec. 18. Notwithstanding any provisions of either this Article or of the Insurance Code to the contrary, an employee, officer, director, or shareholder of either a state or national bank, or a state or federal savings and loan association or corporation, who is licensed as an agent under this Article and who enters into a contract with an insurer to act as the insurer's agent in soliciting or writing policies or certificates of credit life insurance, credit accident and health insurance, or both, covering debtors of the bank or savings and loan in which such agent is an employee, officer, director, or shareholder, may assign and transfer to such bank or savings and loan any commissions, fees, or other compensation to be paid to such agent under the agent's contract with the insurer.

The amendments were read.

Senator Howard moved that the Senate do not concur in the House amendments, but that a Conference Committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The President asked if there were any motions to instruct the Conference Committee on S.B. 1238 before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Howard, Chairman; Henderson, Jones, Traeger and Uribe.

#### **SENATE BILL 1376 WITH HOUSE AMENDMENT**

Senator Jones called S.B. 1376 from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.  
Floor Amendment No. 1 - Rudd

Amend S.B. 1376 on third reading by renumbering Sections 2 and 3 as Sections 3 and 4 and adding a new Section 2 to read as follows:

SECTION 2. Chapter 5, Title 83, Revised Statutes, is amended by adding Article 5165.4 to read as follows:

Art. 5165.4. An employer who complies with the overtime provisions of the Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) is considered to comply with the eight-hour day requirements of Articles 5165, 5165.1, 5165.2, and 5165.3 of this chapter, and is not civilly or criminally liable for a violation of those requirements.

The amendment was read.

Senator Jones moved to concur in the House amendment.

The motion prevailed by the following vote: Yeas 31, Nays 0.

#### **SENATE BILL 1341 WITH HOUSE AMENDMENT**

Senator Farabee called S.B. 1341 from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.  
Committee Amendment No. 1 - Armbrister

Amend S.B. 1341 by adding a new Section 4. on page 3 to read as follows:

This program is subject to the Texas Sunset Act and unless continued in existence as provided by that Act the program is abolished effective September 1, 1997.

Renumber the following Section as Section 5.

The amendment was read.

Senator Farabee moved to concur in the House amendment.

The motion prevailed.

(Senator Uribe in Chair)

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 245 ADOPTED**

Senator Henderson called from the President's table the Conference Committee Report on S.B. 245. (The Conference Committee Report having been filed with the Senate and read on Friday, May 17, 1985.)

On motion of Senator Henderson, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Mauzy.

**SENATE BILL 632 WITH HOUSE AMENDMENT**

Senator Brooks called S.B. 632 from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 - Robnett

Amend S.B. 632 as follows:

- (1) On page 10, line 3, after "EXEMPTIONS.", insert "(a)".
- (2) On page 10, line 5, strike "(a)", and substitute "(1) [(a)]".
- (3) On page 10, line 6, between "psychologist" and "by", insert ", whether licensed or not,".
- (4) On page 10, line 25, strike "(b)", and substitute "(2) [(b)]".
- (5) On page 11, line 7, strike "(c)", and substitute "(3) [(c)]".
- (6) On page 11, line 16, strike "(d)", and substitute "(4)".
- (7) On page 11, line 23, strike the period and substitute "; and".
- (8) On page 11, between lines 23 and 24, insert the following:
  - (5) the activities, services, and use of official title on the part of a person who has retired from a position as a psychologist that was exempted from the application of this Act at the time of the person's retirement and who provides psychological services on a volunteer basis for which the person is not compensated.
  - (b) The Board may not adopt any rule or guideline that governs the activities, services, training, or administration of an agency or individual exempted under this section.

The amendment was read.

Senator Brooks moved that the Senate do not concur in the House amendment, but that a Conference Committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The Presiding Officer asked if there were any motions to instruct the Conference Committee on S.B. 632 before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate on the bill: Senators Brooks, Chairman; Barrientos, Sharp, Truan and Uribe.

**SENATE BILL 253 WITH HOUSE AMENDMENT**

Senator Farabee called **S.B. 253** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.  
Committee Amendment No. 1 - Hightower

Substitute the following for **S.B. 253**:

**A BILL TO BE ENTITLED  
AN ACT**

relating to minimum standards for the detention of juveniles and the powers and duties of the Texas Juvenile Probation Commission; amending Subsection (c), Section 51.12, Family Code, as amended, and Section 75.041, Human Resources Code, as added.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (c) of Section 51.12 of the Family Code, as amended, is amended to read as follows:

"(c) In each county, the judge of the juvenile court and the members of the juvenile board~~[, if there is one,]~~ shall personally inspect the detention facilities at least annually and shall certify in writing to the authorities responsible for operating and giving financial support to the facilities that they are suitable or unsuitable for the detention of children in accordance with:

"(1) the requirements of Subsection (a) of this section;

"(2) the requirements of Article 5115, Revised Civil Statutes of Texas, 1925, as amended, defining 'safe and suitable jails,' if the detention facility is a county jail; and

"(3) recognized professional standards for the detention of children deemed appropriate by the board, which may include minimum standards promulgated by the Juvenile Probation Commission. The juvenile board shall annually provide to the Juvenile Probation Commission a copy of the standards used under this section."

SECTION 2. Section 75.041 of the Human Resources Code, as added, is amended to read as follows:

"Section 75.041. **STANDARDS FOR JUVENILE BOARDS, PROBATION OFFICERS, AND FACILITIES.** Based on local information and evidence gathered through public hearings around the state, the commission shall promulgate reasonable rules for juvenile boards, probation officers, programs, and facilities:

"(1) establishing minimum standards for personnel, staffing, case loads, programs, facilities, record keeping, equipment, and other aspects of the operation of a juvenile board necessary for the provision of adequate and effective probation services;

"(2) establishing a code of ethics for probation officers and providing for the enforcement of the code; ~~[and]~~

"(3) establishing appropriate educational, preservice and in-service training, and certification standards for probation officers or court-supervised community-based program personnel; and

"(4) establishing minimum standards for juvenile detention facilities."

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read.



Senator Farabee moved to concur in the House amendment.

The motion prevailed.

(President in Chair)

### COMMITTEE SUBSTITUTE HOUSE BILL 235 ON SECOND READING

On motion of Senator Montford and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

**C.S.H.B. 235**, Relating to the rights of crime victims and the effect of those rights on the sentencing and availability of bail and release to parole for defendants and to victim assistance coordinators and their duties.

The bill was read second time.

Senator Montford offered the following amendment to the bill:

Floor Amendment No. 1

Amend **C.S.H.B. 235** as follows:

(1) On page 1, line 50, strike "or written statement" and substitute ", written statement, or any other manner".

(2) On page 1, line 60, between "notified" and "of", insert ", if requested,".

(3) On page 2, line 49, between "information" and "related", insert "other than facts related to the commission of the offense".

(4) On page 2, line 65, between "counsel" and "to", insert "a reasonable time".

(5) On page 2, line 69, between "statement" and "and", insert "until after a finding of guilt or until deferred adjudication is ordered".

(6) On page 3, strike lines 27-31 and substitute the following:

(c) The victim assistance coordinator, or a designee of the prosecutor's office, shall send a copy of a victim impact statement to the court sentencing the defendant. If the court sentences the defendant to imprisonment in the Texas Department of Corrections, it shall attach the copy of the victim impact statement to the commitment papers.

(7) On page 3, line 34, between "Clearinghouse" and "shall", insert ", designated as the planning body for the purposes of this article,".

The amendment was read and was adopted.

Senator Montford offered the following amendment to the bill:

Floor Amendment No. 2

Amend **C.S.H.B. 235** by striking lines 4-8 on page 3 and substituting the following:

(g) A victim impact statement is subject to discovery under Article 39.14 of this code before the testimony of the victim is taken only if the court determines that the statement contains exculpatory material.

The amendment was read and adopted.

Senator Montford offered the following amendment to the bill:

## Floor Amendment No. 3

Amend **C.S.H.B. 235** by adding the following after the word "relative" on line 31 page 2:

, through which the victim, guardian of a victim, or a close relative of a deceased victim, may be contacted.

The amendment was read and was adopted.

On motion of Senator Montford and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to third reading.

**COMMITTEE SUBSTITUTE HOUSE BILL 235 ON THIRD READING**

Senator Montford moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **C.S.H.B. 235** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Washington.

The bill was read third time and was passed.

**SENATE CONCURRENT RESOLUTION 76 ON SECOND READING**

On motion of Senator Sarpalius and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading:

**S.C.R. 76**, Establishing an interim study committee to monitor the further progress of events relating to Texas' consideration for a high-level nuclear waste repository.

The resolution was read second time and was adopted.

**SENATE RESOLUTION 368 ON SECOND READING**

On motion of Senator Leedom and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading:

**S.R. 368**, Establishing an interim study committee to be known as Senate Committee on Agency Services Management.

The resolution was read second time and was adopted.

**SENATE BILL 1455 ON SECOND READING**

On motion of Senator Farabee and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

**S.B. 1455**, Relating to notice in lawsuits in which certain present or former state employees are parties and to notice of intent to take default judgments against certain present or former state employees, by amending Chapter 659, Acts of the 68th Legislature, Regular Session, 1983 (Article 4413a.1, Vernon's Texas Civil Statutes).

The bill was read second time and was passed to engrossment.

**SENATE BILL 1455 ON THIRD READING**

Senator Farabee moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that S.B. 1455 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Washington.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**HOUSE BILL 1627 ON SECOND READING**

Senator Jones moved to suspend the regular order of business to take up for consideration at this time:

**H.B. 1627**, Relating to tax credits for the sale or use of mixtures of motor fuel and alcohol.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Barrientos, Blake, Brooks, Caperton, Edwards, Farabee, Glasgow, Harris, Henderson, Howard, Jones, Kothmann, Krier, Leedom, Lyon, McFarland, Mauzy, Parmer, Santiesteban, Sarpalius, Sharp, Sims, Traeger, Whitmire, Williams.

Nays: Brown, Montford, Parker, Truan, Uribe, Washington.

The bill was read second time.

Senator Uribe offered the following amendment to the bill:

Floor Amendment No. 1

Amend **H.B. 1627** as follows:

Strike Section 3 of this bill, beginning on line 23, page 3, through line 26, page 3.

The amendment was read and failed of adoption by the following vote: Yeas 14, Nays 14.

Yeas: Barrientos, Brooks, Brown, Edwards, Kothmann, Lyon, Mauzy, Parmer, Santiesteban, Truan, Uribe, Washington, Whitmire, Williams.

Nays: Blake, Farabee, Glasgow, Harris, Howard, Jones, Krier, Leedom, McFarland, Montford, Sarpalius, Sharp, Sims, Traeger.

Absent: Caperton, Henderson, Parker.

The President stated he would vote "Nay" on the adoption of the amendment.

Senator McFarland offered the following amendment to the bill:

Floor Amendment No. 2

Amend **H.B. 1627** on page 4, line 13, by amending Section 2 to read as follows:

"SECTION 2. This Act takes effect September 1, 1987."

The amendment was read and was adopted.

**RECORD OF VOTE**

Senator Sarpalius asked to be recorded as voting "Nay" on the adoption of the amendment.

On motion of Senator Jones and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to third reading.

### RECORD OF VOTES

Senators Truan, Uribe and Washington asked to be recorded as voting "Nay" on the passage of the bill to third reading.

### MOTION TO PLACE HOUSE BILL 1627 ON THIRD READING

Senator Jones moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that H.B. 1627 be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 20, Nays 10. (Not receiving four-fifths vote of Members present)

Yeas: Blake, Brooks, Caperton, Edwards, Farabee, Glasgow, Harris, Howard, Jones, Krier, Leedom, Lyon, McFarland, Montford, Parmer, Sarpalius, Sharp, Sims, Traeger, Williams.

Nays: Barrientos, Brown, Kothmann, Mauzy, Parker, Santiesteban, Truan, Uribe, Washington, Whitmire.

Absent: Henderson.

### MESSAGE FROM THE HOUSE

House Chamber  
May 20, 1985

HONORABLE W. P. HOBBY  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**H.C.R. 203**, Establishing a special interim committee, the Joint Interim Committee on the Texas Shrimp and Oyster Industry.

**H.B. 505**, Relating to the right to a duty-free lunch period for certain public school teachers.

**H.B. 2122**, Relating to the food products meeting the definition of an agricultural commodity and to the producers thereof, and to authorized activities of a Commodity Producers Board.

**H.B. 2463**, Relating to the hunting and possession of certain exotic animals; providing penalties.

**H.B. 2476**, Relating to the assessment of damages against inmates of the Texas Department of Corrections for destruction of property belonging to the department.

**H.B. 501**, Relating to annexation of a county territory by, and to the election of trustees of, certain junior college districts.

**H.B. 1825**, Relating to an exemption of certain criminal prosecution records from public disclosure under the open records act.

**H.B. 1573**, Relating to the expansion and development of certain prison industries.

**H.B. 1307**, Relating to the manner in which a prisoner is required to appear at a hearing to revoke parole or mandatory supervision and to time limits in which the hearing must be held and a disposition of the prisoner's case.

**H.B. 682**, Relating to paperwork reduction efforts in public schools.

**H.B. 1304**, Relating to computers and computer-related equipment for public schools.

**H.B. 2012**, Relating to the regulation of massage therapists and massage establishments.

**H.B. 2174**, Relating to staffing requirements for certain emergency medical services vehicles.

**H.B. 2423**, Relating to taking possession without a court order of a child suspected to be a child abuse victim.

**H.B. 2388**, Relating to the adoption of rules by certain state agencies that affect law enforcement agencies of the state and political subdivisions of the state.

**H.B. 2193**, Relating to six-person juries in district court civil cases.

**H.B. 1856**, Relating to the use of money in the public transportation fund by certain organizations for rural public transportation.

**H.B. 2068**, Relating to spills of hazardous substances into waters in the State.

**H.B. 2496**, Relating to the issuance of permits for certain lift equipment motor vehicles on public highways.

**H.B. 2509**, Relating to requirements for filing fees and signature petitions in the general primary election for certain judicial offices.

**H.B. 1273**, Relating to the regulation of obstructions to air navigation; repealing Section One, Chapter 626, Acts of the 68th Legislature, Regular Session, 1983 (Articles 46i-1 through 46i-9, Title 3A, Revised Statutes).

**H.B. 1703**, Relating to the licensing of certain facilities that treat alcoholics and drug dependent persons.

**H.B. 1346**, Relating to confiscation of certain oil and gas drilling equipment to cover costs of well plugging and replugging.

**H.B. 712**, Relating to the compensation of presiding judges of certain administrative judicial districts.

**H.B. 1240**, Relating to the civil service system in certain counties.

**H.B. 952**, Relating to a supplemental appropriation to the Office of the Attorney General for the purpose of paying state employees' workers' compensation claims.

**H.B. 523**, Relating to funding of public school kindergarten and to the basic allotment for funding a school district's foundation school program.

**H.B. 1843**, Relating to health care for certain indigent individuals.

**H.B. 1023**, Relating to the provision of certain medical, educational, and associated services to eligible low-income women and infants.

**H.B. 1844**, Relating to the provision of primary health care to eligible low-income individuals.

**H.B. 1963**, Relating to minimum standards concerning licensed hospitals and the transfer of a patient from one hospital to another, to the denial, suspension and revocation of hospital licenses, and to enforcement of the hospital.

**H.B. 1252**, Relating to the authorization of investments in certain development bank securities by certain private and governmental investors.

**S.B. 700**, Relating to the creation of cultural education facilities finance corporations and to the corporation's powers, authority, and rights. (With amendment)

**S.B. 748**, Relating to the regulation of taxicabs operating at certain airports.

**S.B. 853**, Relating to the creation and administration of a self-insurance trust by certain savings and loan associations and to the authority of the State Board of Insurance.

The House has concurred in Senate amendments to **H.B. 118** by a record vote of 131 ayes, 1 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 528** by a record vote of 135 ayes, 0 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 650** by a record vote of 131 ayes, 1 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 653** by a record vote of 133 ayes, 1 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 1433** by a record vote of 133 ayes, 0 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 1819** by a record vote of 126 ayes, 7 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 1132** by a record vote of 102 ayes, 17 noes, and 4 present not voting.

The House has concurred in Senate amendments to **H.B. 900** by a record vote of 126 ayes, 1 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 1728** by a record vote of 131 ayes, 0 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 2236** by a record vote of 127 ayes, 0 noes, and 1 present not voting.

The House has concurred in Senate amendments to **H.B. 2301** by a record vote of 131 ayes, 0 noes, and 1 present not voting.

**S.B. 1171**, Relating to the provision of computer services to state agencies by the State Purchasing and General Services Commission. (With amendments)

Respectfully,

BETTY MURRAY, Chief Clerk  
House of Representatives

#### **COMMITTEE SUBSTITUTE HOUSE BILL 402 ON SECOND READING**

On motion of Senator Truan and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

**C.S.H.B. 402**, Relating to the regulation and taxation of bingo games; providing penalties.

The bill was read second time.

(Senator Blake in Chair)

Senator Truan offered the following amendment to the bill:

Floor Amendment No. 1

Amend C.S.H.B. 402, SECTION 1, Subsection 12, on page 2, Line 54, by: inserting “;or” after the word “manufacturer” and adding (F) beginning on Line 55 to read as follows:

(F) a person who owns, has an interest in, or is a lessee of more than one hall or other property at which bingo is or will be conducted.

The amendment was read.

On motion of Senator Harris, Floor Amendment No. 1 was tabled by the following vote: Yeas 20, Nays 10.

Yeas: Blake, Brown, Edwards, Glasgow, Harris, Henderson, Howard, Jones, Kothmann, Krier, Lyon, Mauzy, Montford, Parker, Santiesteban, Sarpalius, Sims, Traeger, Uribe, Whitmire.

Nays: Barrientos, Brooks, Caperton, Farabee, Leedom, Parmer, Sharp, Truan, Washington, Williams.

Absent: McFarland.

(President in Chair)

Senator Truan offered the following amendment to the bill:

Floor Amendment No. 2

Amend C.S.H.B. 402 as follows:

Amend SECTION 2, on page 3, line 52, by striking the figure “\$1,000” and replacing it with “\$500”.

Page 3, Line 55, by striking the figure “\$5,000” and replacing it with “\$2,500”.

Page 3, Line 58, by striking the figure “\$1,000” and replacing it with “\$500”.

Page 3, Line 60, by striking the figure “\$5,000” and replacing it with “\$2,500”.

Page 3, Line 62, by striking the figure “\$5,000” and replacing it with “\$2,500”.

The amendment was read.

On motion of Senator Harris, Floor Amendment No. 2 was tabled by the following vote: Yeas 18, Nays 13.

Yeas: Barrientos, Blake, Brooks, Brown, Glasgow, Harris, Henderson, Kothmann, Krier, Lyon, McFarland, Mauzy, Montford, Parker, Santiesteban, Sims, Uribe, Whitmire.

Nays: Caperton, Edwards, Farabee, Howard, Jones, Leedom, Parmer, Sarpalius, Sharp, Traeger, Truan, Washington, Williams.

Senator Truan offered the following amendment to the bill:

Floor Amendment No. 3

Amend C.S.H.B. 402, SECTION 2, on page 3, as follows:

Add “(j)” between “(g)” and “(1)” on line 32.

Add Subsection (j) after line 69 to read as follows:

(j) No more than two licensed authorized ~~[affiliated]~~ organizations may ~~[be licensed to]~~ conduct bingo at the same location.

The amendment was read.

On motion of Senator Harris, Floor Amendment No. 3 was tabled by the following vote: Yeas 22, Nays 8.

Yeas: Barrientos, Blake, Brown, Glasgow, Harris, Henderson, Howard, Kothmann, Krier, Leedom, Lyon, McFarland, Mauzy, Montford, Parker, Santiesteban, Sarpalius, Sharp, Sims, Uribe, Washington, Whitmire.

Nays: Caperton, Edwards, Farabee, Jones, Parmer, Traeger, Truan, Williams.

Absent: Brooks.

Senator Truan offered the following amendment to the bill:

Floor Amendment No. 4

Amend C.S.H.B. 402, SECTION 4, Subsection (g)(3) as follows:

On Page 5, Line 31, strike the figure “\$600” and replace it with the figure “\$450”.

The amendment was read.

On motion of Senator Harris, Floor Amendment No. 4 was tabled by the following vote: Yeas 19, Nays 12.

Yeas: Blake, Brown, Glasgow, Harris, Henderson, Howard, Kothmann, Lyon, McFarland, Mauzy, Montford, Parker, Santiesteban, Sarpalius, Sharp, Sims, Uribe, Washington, Whitmire.

Nays: Barrientos, Brooks, Caperton, Edwards, Farabee, Jones, Krier, Leedom, Parmer, Traeger, Truan, Williams.

Senator Harris offered the following amendment to the bill:

Floor Amendment No. 5

Amend C.S.H.B. 402 on page 12, SECTION 16 by deleting “50” and inserting “two”.

The amendment was read and was adopted.

Senator Edwards offered the following amendment to the bill:

Floor Amendment No. 6

Amend C.S.H.B. 402 on page 14 lines 48 and 49 by deleting the words “broadcasted by radio or television stations for advertising and promotional purposes,” and inserting in lieu thereof the words “solely for the advertising and promotional benefit of a bona fide radio or television broadcast company licensed by the Federal Communications Commission,”

The amendment was read and was adopted.

Senator Traeger offered the following amendment to the bill:

Floor Amendment No. 7

Amend C.S.H.B. 402 by striking all of Line 3 through Line 6, page 4.

The amendment was read and was adopted.

On motion of Senator Truan and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to third reading.



**RECORD OF VOTE**

Senator Sharp asked to be recorded as voting "Nay" on the passage of the bill to third reading.

**COMMITTEE SUBSTITUTE HOUSE BILL 402 ON THIRD READING**

Senator Truan moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that C.S.H.B. 402 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Washington.

The bill was read third time and was passed.

**GUEST PRESENTED**

Senator Barrientos was recognized and introduced Dr. Mark Dawson of Austin, the Capitol Physician for the Day.

The Senate welcomed Dr. Dawson and expressed their appreciation for his service.

**MESSAGE FROM THE HOUSE**

House Chamber  
May 20, 1985

**HONORABLE W. P. HOBBY**  
**PRESIDENT OF THE SENATE**

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**S.B. 59**, Relating to the payment of fines, costs, and fees as a condition of parole. (With amendment)

**S.B. 67**, Relating to the appraisal for ad valorem taxation of property, including oil and gas property, reported to have decreased in value.

**S.B. 79**, Relating to the terms of the board of directors of an appraisal district.

**S.B. 401**, Relating to prophylaxis for newborns; amending the Texas Venereal Disease Act.

**S.B. 402**, Relating to the authority of counties to issue certificates of obligation.

**S.B. 426**, Repealing Section 5 of Article 199-21, Revised Statutes, as amended, relating to judgments in certain district courts.

**S.B. 483**, Relating to certain reports made by pharmaceutical peer review or pharmaceutical organization committees that result in possible disciplinary or remedial action by the Texas State Board of Pharmacy.

**S.B. 551**, Relating to the appointment of bailiffs for the 97th Judicial District.

**S.B. 552**, Relating to the terms of court in the 97th Judicial District.

**S.B. 553**, Relating to the appointment and functions of volunteer advocates in suits affecting the parent-child relationship.

**S.B. 564**, Relating to the creation of the constitutional office of criminal district attorney of Yoakum County and the abolition of the office of county attorney of Yoakum County.

**S.B. 575**, Relating to the approval of appraisal records by an appraisal review board. (With amendment)

**S.B. 596**, Relating to a violation of the vital statistics Act.

**S.B. 602**, Relating to the date by which certain local option exemptions from property taxes imposed on residence homesteads must be adopted.

**S.B. 607**, Relating to permitting the partial payment of property taxes. (With amendment)

**S.B. 612**, Relating to limitations on the authority of the State Purchasing and General Services Commission to acquire certain materials and services for libraries operated by university systems or institutions of higher education.

**S.B. 615**, Relating to the meetings at which the commissioners court of a county may conduct business.

**S.B. 620**, Relating to bids by nonresident contractors for contracts awarded by the State or a political subdivision for construction, improvements, supplies, or services. (With amendment)

**S.B. 623**, Relating to property tax bills after late adoption of tax rate.

**S.B. 625**, Relating to the authority of the Texas Youth Commission to provide funds for the establishment of privately owned and operated training facilities and programs for delinquent children.

**S.B. 633**, Relating to community centers for mental health and mental retardation services, their administration, planning, and fees, and to contracts for community-based services; amending the Texas Mental Health and Mental Retardation Code. (With amendments)

**S.B. 719**, Authorizing and limiting transactions with funds and assets of Texas domestic insurers; amending Article 21.39-B, Insurance Code of Texas; repealing laws in conflict. (With amendment)

**S.B. 750**, Relating to the creation in certain counties of emergency communication districts in which the 9-1-1 telephone number is used as the primary emergency telephone number. (As substituted)

**S.B. 754**, Relating to the management of, contributions to, and disbursements from the firemen's relief and retirement funds in certain cities and to membership on the board of trustees.

**S.B. 760**, Relating to procedures by which a property owner may protest certain property tax matters, including the failure of property tax officials to provide notice of certain property tax determinations. (With amendment)

**S.B. 767**, Amending the Texas Trust Code relating to the investments by a trustee.

**S.B. 792**, Relating to the regulation of vendors on certain public beaches; authorizing fees.

**S.B. 803**, Relating to the cost of bedding stamps and the reporting frequency for exemption holders.

**S.B. 845**, Relating to matters to be reflected in judgments, to certain prescribed uses of copies of judgments and other information concerning a defendant, and to the requirement of a uniform judgment form. (With amendments)

**S.B. 851**, Relating to the creation, expansion, administration, operation, and funding of certain emergency communication districts.

**S.B. 862**, Relating to the authority of counties, on a local option basis, to abolish the office of inspector of hides and animals.

**S.B. 866**, Relating to the prohibition against the division of fees for optometric services or materials with lay persons, firms, or corporations. (With amendment)

**S.B. 885**, Relating to the information required for certain subdivision plats.

**S.B. 908**, Relating to certain definitions and to procedures for determining the equality and uniformity of property taxes and to a property owner's remedies for unequal property tax appraisal. (With amendment)

**S.B. 909**, Relating to the enforcement of settlement agreements or judgments in worker's compensation cases.

**S.B. 1349**, Relating to the reformation of a jury verdict that assesses punishment not authorized by law.

**S.B. 910**, Relating to the deletion of budget brackets from Section 2, Chapter 88, Acts of the 63rd Legislature, Regular Session, 1973 (Article 8309h, Vernon's Texas Civil Statutes).

**S.B. 978**, Relating to the correction of certain errors in an appraisal roll. (With amendment)

**S.B. 1052**, Relating to eligibility to receive services under the Crippled Children's Services Act. (With amendment)

**S.B. 1093**, Relating to certain definitions, membership, retirement, revocation of retirement, and effects of employment after retirement under the Teacher Retirement System of Texas.

**S.B. 1105**, Relating to information in records of births and deaths.

**S.B. 1115**, Relating to the creation, jurisdiction, and practice of the County Court at Law of Moore County. (With amendment)

**S.B. 1126**, Relating to the State Board of Insurance summary procedures for routine matters.

**S.B. 1173**, Relating to interagency cooperation contracts; increasing the exclusion for written requirements and advance approval of such contracts from less than \$350 to less than \$2,500.

**S.B. 1185**, Relating to the regulation of water well and injection well drillers; providing a penalty.

**S.B. 1193**, Relating to the age bracket for eligibility of fire fighters and police officers for membership in certain municipal retirement systems.

**S.B. 1232**, Relating to interests in land exempt from creditors' claims.

**S.B. 1242**, Relating to the amendment of jurisdiction and operation of County Court at Law, and County Court at Law No. 2, of Denton County, and creating County Court at Law No. 3 of Denton County, Texas, and setting uniform,...

**S.B. 1243**, Relating to late fees imposed by the Texas Department of Agriculture. (As substituted)

**S.B. 1253**, Relating to the boundaries, the composition, election, qualifications, and term of office of the board of directors, and the limitation on the amount of property taxes of the Evergreen Underground Water Conservation District.

**S.B. 1254**, Relating to the dissolution of the Lower Nueces River Water Supply District.

**S.B. 1264**, Relating to the confirmation election for the Coryell City Water Supply District.

**S.B. 1289**, Relating to the types of motor vehicles for which special devices for parking by disabled persons may be issued.

**S.B. 1292**, Relating to habeas corpus appeals and discretionary review in cases involving extradition or the setting or reduction of bail; amending Article 44.38, Code of Criminal Procedure, 1965, as amended.

**S.B. 1329**, Relating to the jurisdiction, powers, practices, and procedures of the County Court at Law of Nolan County, and to the selection and compensation of the judge of that court.

**S.B. 1331**, Relating to the creation, administration, powers, duties, operations, and financing of the Culberson County Hospital District.

**H.B. 2207**, Relating to the creation, administration, powers, duties, operations, functions, and financing of the Brazos Bend Water Authority.

**H.B. 2389**, Relating to the Probate and County Court of Galveston County.

**H.B. 2404**, Relating to the jurisdiction, practice, procedure, and compensation of the judge of the County Court at Law No. 1 of Fort Bend County, and to the creation of the County Court at Law No. 2 of Fort Bend County.

**H.B. 2422**, Relating to the Cass County Juvenile Board.

**H.B. 2435**, Relating to the jurisdiction of the municipal courts of record of Lubbock.

**H.B. 2436**, Relating to the County Courts at law in Smith County.

**H.B. 2449**, Relating to the creation, administration, powers, duties, operation, and financing of the Montgomery County Municipal Utility District No. 69; and declaring an emergency.

**H.B. 2450**, Relating to the creation, administration, powers, duties, operations, and financing of the Montgomery County Municipal Utility District No. 70; and declaring an emergency.

**H.B. 2451**, Relating to the creation, administration, powers, duties, operations, and financing of the Montgomery County Municipal Utility District No. 71; and declaring an emergency.

**H.B. 2452**, Relating to the creation, administration, powers, duties, operations, and financing of the Montgomery County Municipal Utility District No. 72; and declaring an emergency.

**H.B. 2453**, Relating to the creation, administration, powers, duties, operations, and financing of the Montgomery County Municipal Utility District No. 73; and declaring an emergency.

**H.B. 2454**, Relating to the creation, administration, powers, duties, operations, and financing of the Montgomery County Municipal Utility District No. 74; and declaring an emergency.

**H.B. 2457**, Relating to the creation, administration, powers, duties, functions, and financing of the Little Cypress Utility District.

**H.B. 2458**, Relating to the duties of the county attorney of Fayette County and to the election and duties of the district attorney of the 155th Judicial District.

**H.B. 2459**, Relating to the terms of office of the directors of the Wise County Water Control and Improvement District No. 1.

**H.B. 2469**, Relating to the board of directors and contracts of the Franklin County Water District.

**H.B. 2470**, Relating to the creation, administration, powers, duties, operations, and financing of the Crane County Water District and the authority of that district and other governmental and private entities to contract.

**H.B. 2473**, Relating to the creation of the County Court at Law of Coryell County and to membership of the county court at law judge on the Coryell County Juvenile Board.

**H.B. 2474**, Relating to the creation of the County Court at Law of Austin County.

**H.B. 2487**, Relating to the creation, administration, powers, duties, operations, financing, and organization of the Fox Crossing Water District and annexation of territory to that district.

**H.B. 2490**, Relating to the creation, administration, powers, duties, and financing of the Northwest Liberty County Drainage District.

**H.B. 2506**, Relating to the jurisdiction of the County Court at Law of Rusk County and to the salary of the judge of that court.

**H.B. 63**, Relating to computation of annuities payable by the Judicial Retirement System of Texas.

**H.B. 863**, Relating to the requirement that the appraisal district board of directors cause an annual audit of the books of the appraisal district to be performed.

**H.B. 864**, Relating to the requirement that minutes of all meetings of the appraisal district board of directors be transmitted by the chief appraiser to taxing units participating in the district; and...

**H.B. 910**, Relating to removing from delinquent tax records certain property taxes that are presumed to have been paid.

**H.B. 1017**, Relating to venue in suits involving the Texas Historical Commission.

**H.B. 1114**, Relating to the organization, powers, and duties of health authorities, public health districts, local health departments, and public health districts, and to the powers and duties of a governing body of an...

**H.B. 1172**, Relating to the authorizing of a public hearing to discuss the abatement of nuisances on premises in certain cities.

**H.B. 1206**, Relating to notification of certain members of the legislature before a state agency may establish or relocate branch offices of the agency.

**H.B. 1385**, Relating to the disposition of the unused portion of the funds in the unemployment compensation special administration fund.

**H.B. 1391**, Relating to venue for trial of unauthorized use of vehicle offenses; adding Article 13.23 to Chapter 13, Code of Criminal Procedure, 1965, as amended; and declaring an emergency.

**H.B. 1481**, Relating to the number of hours and days in the work week or work cycle of certain fire fighters.

**H.B. 1525**, Relating to the reports on student enrollment required to be made by the chief executive officer of each institution of higher education.

**H.B. 1530**, Relating to hearings on the enforcement of child support orders.

**H.B. 1702**, Relating to the creation, administration, powers, duties, operations, financing, and dissolution of stormwater control districts.

**H.B. 1775**, Relating to the security for deposits of public funds.

**H.B. 1802**, Relating to the refusal to issue certain licenses by the Department of Agriculture.

**H.B. 1803**, Relating to handling and marketing of certain fruits and vegetables and the payment of claims against certain persons licensed to handle those fruits or vegetables.

**H.B. 1921**, Relating to rehabilitation school districts.

**H.B. 1959**, Relating to requiring the Texas Department of Water Resources to make certain information available to the public.

**H.B. 1992**, Relating to prohibiting denial of certain salary bonuses or similar compensation or career ladder advancement because of a teacher's absence from school for observance of a religious holy day.

**H.B. 2001**, Relating to notice required for changes in the amount of interest paid on certain bank deposits and investment certificates.

**H.B. 2034**, Relating to the appointment and duties of temporary guardianships under the Texas Probate Code.

**H.B. 2043**, Relating to the date on which unpaid property taxes become delinquent.

**H.B. 2104**, Relating to school bonds purchased at a premium or a discount.

**H.B. 2299**, Relating to the notice of delinquency given to persons whose names appear on the delinquent property tax roll of a taxing unit.

**H.B. 2371**, Relating to the creation and operation of municipal parking authorities.

**H.B. 2386**, Relating to licensing and regulation of certain pilots, pilotage rates, and pilot service.

**H.B. 2434**, Relating to the waiver of penalties and interest on a delinquent ad valorem tax in certain circumstances.

**H.B. 2437**, Relating to authorizing the board of trustees of a school district to invest certain gifts, devises, and bequests.

**H.B. 2438**, Relating to the conveyance of certain state-owned real property in Comal County by the General Land Office.

**H.B. 2465**, Relating to the sale of political subdivision bonds owned by the Texas Water Development Board and the disposition of the proceeds of such sale; and declaring an emergency.

**H.B. 2466**, Relating to the creation and powers of the Texas Water Resources Finance Authority; authorizing the issuance of revenue bonds by said Authority to finance the acquisition of political subdivision...

**H.B. 2481**, Relating to notice of the possibility of suspension of a driver's license for a conviction for failure to maintain financial responsibility.

**H.B. 2484**, Relating to certain reinvestment zones which have been created or attempted to be created pursuant to Article 1066e, Vernon's Texas Civil Statutes, as amended; validating all acts and proceedings relating to the creation,...

**H.B. 2179**, Relating to reports to the secretary of state of certain precinct election results.

**H.B. 2195**, Relating to the authority and duties of a county historical commission and of a county commissioners court; giving a property owner certain rights, amending Section 1, Chapter 152, Acts of the 58th Legislature...

**H.B. 2218**, Relating to fees collected for the operation of a county law library.

**H.B. 2220**, Relating to subrogation recoveries by the Director of the State Employees Division of the Attorney General's Office.

**H.B. 2228**, Relating to the requirement that an institution of higher education adopt rules regarding faculty workloads.

**H.C.R. 106**, Calling on the Congress of the United States to pass and send to the President an Act authorizing and imposing a temporary tariff on all imports of foreign crude oil and foreign petrochemical products.

**H.B. 2486**, Relating to the authority of certain agricultural cooperative marketing associations to deal in the products of persons who are not members of the association.

Respectfully,

BETTY MURRAY, Chief Clerk  
House of Representatives

**CONFERENCE COMMITTEE REPORT  
SENATE BILL 371**

Senator Brooks submitted the following Conference Committee Report:

Austin, Texas  
May 20, 1985

Honorable William P. Hobby President of the Senate

Honorable Gibson D. "Gib" Lewis Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **S.B. 371** have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

BROOKS  
FARABEE  
EDWARDS  
WHITMIRE  
TRUAN  
On the part of the Senate

SCHLUETER  
SHAW  
STILES  
BARTON  
McKINNEY  
On the part of the House

**A BILL TO BE ENTITLED  
AN ACT**

relating to funding for child abuse and neglect prevention programs, to certain fees, and to the establishment of the Council on Child Abuse and Neglect Prevention; adding Chapter 74 to Subtitle B, Title 3, Human Resources Code, as amended; amending the Revised Statutes, as amended, by amending Article 3930 and Section (2) of Article 3930a-1 and by adding Article 3930a-2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 3, Human Resources Code, is amended by adding Chapter 74 to read as follows:

**“CHAPTER 74. COUNCIL ON CHILD ABUSE AND NEGLECT**

**“Section 74.001. DEFINITIONS. In this chapter:**

**“(1) ‘Board’ means the Texas Board of Human Resources.**

**“(2) ‘Council’ means the Council on Child Abuse and Neglect Prevention.**

**“(3) ‘Department’ means the Texas Department of Human Resources.**

**“(4) ‘Operating fund’ means the council on child abuse and neglect prevention operating fund established by this chapter.**

**“(5) ‘State agency’ means a board, commission, department, office, or other state agency that:**

**“(A) is in the executive branch of state government;**

**“(B) was created by the constitution or a statute of this state; and**

**“(C) has statewide jurisdiction.**

**“(6) ‘Trust fund’ means the children’s trust fund established by this chapter.**

**“Section 74.002. ESTABLISHMENT OF COUNCIL. (a) The Council on Child Abuse and Neglect Prevention is established within the department.**

**“(b) The council is composed of nine persons appointed by the governor who have demonstrated concern for the field of child abuse and neglect.**

**“(c) The members serve two-year terms. A person who has served three terms is not eligible for reappointment.**

**“(d) The governor shall designate a member as the presiding officer.**

**“(e) The council shall meet twice each year and at the call of the presiding officer.**

**“(f) Members of the council receive no compensation but are entitled to reimbursement for actual and necessary expenses incurred in performing their duties.**

**“Section 74.003. POWERS AND DUTIES. (a) The council shall:**

**“(1) develop a state plan for expending funds for child abuse and neglect prevention programs;**

**“(2) develop eligibility criteria for applicants for grants to fund child abuse and neglect prevention programs;**

**“(3) establish grant application procedures;**

**“(4) establish funding priorities for child abuse and neglect prevention programs;**

**“(5) establish guidelines relating to grant amounts;**

**“(6) establish guidelines to ensure fair distribution of grants between rural and urban areas of the state;**

**“(7) develop procedures for evaluating grant applications;**

**“(8) review proposals submitted to the council;**

**“(9) monitor the expenditure of funds for child abuse and neglect prevention programs;**



"(10) submit recommended grants to fund child abuse and neglect prevention programs to the board for approval;

"(11) submit an annual report to the governor, the legislature, and the board; and

"(12) recommend to the board proposed rules to implement this chapter.

"(b) The council may:

"(1) apply for and receive funds made available by the federal or state government or by another public or private source, which funds may be deposited in either the trust fund or the operating fund; and

"(2) solicit donations for child abuse prevention programs.

"Section 74.004. DEPARTMENT RESPONSIBILITIES. (a) The department shall employ necessary staff and provide administrative assistance to the council.

"(b) The department shall adopt rules in accordance with council recommendations to implement this chapter.

"Section 74.005. ADMINISTRATIVE COSTS. Administrative costs during any fiscal year may not exceed 10 percent of the total amount of funds appropriated to the council or the department for the carrying out of this chapter.

"Section 74.006. CHILDREN'S TRUST FUND. (a) The children's trust fund is established as a trust fund in the State Treasury.

"(b) The legislature may not appropriate the money contained in the trust fund.

"(c) On September 1 of each year, the State Treasurer shall transfer one-half of the money contained in the trust fund to the operating fund. The money transferred to the operating fund under this subsection may be used only for child abuse and neglect prevention programs. This subsection expires August 31, 1991.

"Section 74.007. OPERATING FUND. (a) The council on child abuse and neglect prevention operating fund is established as a special fund in the State Treasury.

"(b) Any interest earned on funds deposited in the trust fund shall be deposited in the operating fund.

"(c) The legislature may appropriate the money in the operating fund to carry out the provisions of this chapter.

"Section 74.008. CONTRIBUTIONS. (a) The council may solicit contributions from any appropriate source.

"(b) A person may contribute funds to either the trust fund or the operating fund.

"(c) If a person designates that a contribution is intended as a donation to a specific fund, the contribution shall be deposited in the designated fund.

"Section 74.009. GRANT APPLICATIONS. (a) A state agency may not apply for a grant under this chapter.

"(b) Except as provided by Subsection (a) of this section, any group, including a program receiving state aid, may apply to the council for a grant to fund child abuse and neglect prevention programs under this chapter in accordance with department rules.

"(c) The council may not consider a grant application unless the application is endorsed by at least two community organizations from the area in which the funds will be expended.

"Section 74.010. GRANT AWARDS. (a) The board may award grants to fund child abuse and neglect prevention programs to eligible applicants recommended by the council. The board may overrule a council recommendation, but may not expend funds under this chapter unless the expenditure is recommended by the council.

“(b) The board shall award grants that continue for one year. The board may renew a grant not more than two times.

“(c) To be eligible for an initial grant, a person must provide a cash or in-kind match that is equal to at least 10 percent of the grant. To be eligible for a renewal for a second year, a person must provide a cash or in-kind match that is equal to at least 20 percent of that grant. To be eligible for a renewal for a third year, a person must provide a cash or in-kind match that is equal to at least 50 percent of that grant.

“(d) A person may not use funds received from the state to meet the match obligation prescribed by Subsection (c) of this section.

“Section 74.011. APPLICATION OF SUNSET ACT. The Council on Child Abuse and Neglect Prevention is subject to the Texas Sunset Act (Article 5429k, Vernon’s Texas Civil Statutes); and unless continued in existence as provided by that Act the council is abolished, and this Act expires effective September 1, 1999.”

SECTION 2. Article 3930, Revised Statutes, as amended, is amended to read as follows:

“Article 3930. COUNTY CLERK AND COUNTY RECORDERS. County clerks and county recorders are hereby authorized and required to collect the following fees for services rendered by them to all persons, firms, corporations, legal entities, governmental agencies and/or governmental representatives:

“Fees for County Clerk and County Recorder Records and Miscellaneous Services

“(1) For filing, or filing and registering, including indexing, each instrument, document, legal paper, or record (excepting notaries public records, marriage records, vital statistics records, and those instruments, documents, legal papers and records filed in the county civil courts records, or in the county criminal courts records, or in the probate courts records, and those instruments, documents, legal papers and records filed and recorded in the real property records in the office of the county clerk, and those instruments the filing fee for which is fixed in the Business & Commerce Code), authorized, permitted, or required, to be filed, or filed and registered, in the personal property, chattels and personal records in the office of the county clerk and county recorder, a fee or fees, as follows:

“(a) For each such instrument, document, legal paper, or record, a fee, which shall be in addition to any and all specific fee or fees provided for in any and all other statute or statutes, of ..... \$2.00

“(2) For filing and recording, including indexing not more than five (5) names, each instrument, document, legal paper, or record (excepting map records, condominium records, notaries public records, marriage records, vital statistics records, and those instruments, documents, legal papers and records filed in the county civil courts records, or in the county criminal courts records, or in the probate courts records, or in the personal property, chattels and personal records in the office of the County Clerk) authorized, permitted, or required, to be filed and recorded in the real property records in the office of the county clerk and county recorder, a fee, or fees, as follows, which fee, or fees, shall be in addition to any specific fee, or fees, provided for in any other statute, or statutes:

“(a) For the first page, a fee of ..... \$3.00

“(b) Plus, for each additional page, or part of a page, on which there are visible marks of any kind, a fee of ..... \$2.00

“(c) Plus a fee for each 8-1/2” x 14”, or part thereof, of attachment or rider, to be charged for each such attachment or rider, of ..... \$2.00

“(d) Plus, for each additional name that has to be indexed in excess of a total of five (5) names indexed for all records in which an instrument, document, paper or record must be indexed, a fee of ..... \$0.25

“(e) Provided, however, that a county clerk and county recorder who files, registers, or records by copying the instrument manually, and not by a photocopy,

photostatic or microphotographic process, in his discretion may substitute, in lieu of the per page fee prescribed by this Act, for each page of such a legal instrument, document or paper having more than 500 words on it, a fee per one hundred words of ..... \$0.20

"(3) For issuing each certified copy (except certified copy of map records and condominium records), notice, statement, license where the fee for issuing the license is not specifically provided by statute, or any other instrument, document, or paper authorized, permitted, or required, to be issued by said county clerk or county recorder, except as otherwise provided in Section 1, of this Act:

"For each page, or part of a page, a fee, to be paid in cash at the time each order is placed, of ..... \$1.00  
plus \$1.00 for the county clerk's certificate.

"However, nothing in this Act shall be construed to limit or deny to any person, firm, or corporation, full and free access to any papers, documents, proceedings and records referred to in this Act, the right of such parties to read and examine the same, and to copy information from any microfilm or other photographic image, or other copy thereof under reasonable rules and regulations of the county clerk at all reasonable times during the hours the county clerk's office is open to the public, and without making payment of any charge, being hereby established and confirmed.

"(4) For issuing each certified copy of birth certificate or death certificate a fee in the same amount as the fee charged under Rule 54a, Article 4477, Revised Statutes, as amended, by the state registrar of vital statistics and the local registrar of births and deaths.

"(5) For approving bond, except notarial bonds and bonds required to be approved in County Civil Courts, County Criminal Courts and Probate Courts, a fee, to be paid at the time of said approval, of ..... \$3.00

"(6) For all clerical work in having appointment of notary public made, administering oaths and qualifying the notary public, and approving, filing and recording notarial bond, a fee (does not include the fee for the Secretary of State), to be paid at the time the executed oath and bond is filed, of ..... \$4.00

"(7) For issuing each marriage license, including all and every service relating thereto and including, but not limited to, preparing the application, filing health certificates, administering oaths, filing waivers and orders of county judge, issuing license and recording all papers including the return of the license, a total fee, to be paid at the time the license is issued, of ..... \$25.00 [~~\$7.50~~]

"(8) For registering a brand, including indexing, search, and issuing the certificate, a fee of ..... \$5.00

"(9) For administering each oath, with or without a seal of clerk, except oaths required to be administered in duties as Clerk of County Civil Courts, County Criminal Courts and Probate Courts, a fee of ..... \$1.00

"(10) For such other duties prescribed, authorized, and/or permitted by the Legislature for which no fee is set by this Act, reasonable fees shall be charged."

SECTION 3. Section (2), Article 3930a-1, Revised Statutes, as amended, is amended to read as follows:

"(2) A total fee of \$25.00 [~~\$7.50~~] shall be collected for services rendered in connection with the execution of each declaration of informal marriage under Section 1.92 of the Family Code."

SECTION 4. Title 61, Revised Statutes, is amended by adding Article 3930a-2 to read as follows:

"Article 3930a-2. DISPOSITION AND USE OF PORTION OF MARRIAGE LICENSE AND DECLARATION FEES. (a) The county clerk or county recorder shall no later than the 10th day of each month send to the comptroller of public accounts \$12.50 of each fee collected during the preceding

month from the issuance of marriage licenses under Article 3930 of this title and from the issuance of declarations of informal marriage under Article 3930a-1 of this title.

“(b) The comptroller shall deposit the money received under this article to the credit of the children’s trust fund established under Section 74.006, Human Resources Code.”

SECTION 5. If the 69th Legislature appropriates money from the General Revenue Fund to implement this Act, on September 1, 1987, the State Treasurer shall, before transferring funds to the council on child abuse and neglect prevention operating fund as required by Subsection (c), Section 74.006, Human Resources Code, as added by this Act, and if sufficient funds exist, transfer an amount equal to the amount of the legislative appropriation from the children’s trust fund established by this Act to the General Revenue Fund. The State Treasurer shall then transfer one-half of the funds remaining in the trust fund to the council on child abuse and neglect prevention operating fund established by this Act.

SECTION 6. This Act takes effect September 1, 1985.

SECTION 7. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

The Conference Committee Report was read and was filed with the Secretary of the Senate.

#### HOUSE BILLS ON FIRST READING

The following bills received from the House were read the first time and referred to the Committee indicated:

- H.B. 1843, To Committee on Health and Human Resources.
- H.B. 1023, To Committee on Health and Human Resources.
- H.B. 1844, To Committee on Health and Human Resources.
- H.B. 1963, To Committee on Health and Human Resources.
- H.B. 2457, To Committee on Intergovernmental Relations.
- H.B. 2449, To Committee on Natural Resources.
- H.B. 2450, To Committee on Natural Resources.
- H.B. 2451, To Committee on Natural Resources.
- H.B. 2452, To Committee on Natural Resources.
- H.B. 2453, To Committee on Natural Resources.
- H.B. 2454, To Committee on Natural Resources.
- H.B. 2465, To Committee on Finance.
- H.B. 2466, To Committee on Finance.

#### SENATE RULE 103 SUSPENDED

On motion of Senator Brooks and by unanimous consent, Senate Rule 103 was suspended in order that the Committee on Health and Human Resources might consider the following bills today:

- H.B. 1843
- H.B. 1844
- H.B. 1963
- H.B. 1023

**MOTION TO SUSPEND SENATE RULE 103**

Senator Jones asked unanimous consent to suspend Senate Rule 103 in order to hear the following bills in Finance Committee today at 2:00 o'clock p.m.:

**H.B. 2465**

**H.B. 2466**

There was objection.

**SENATE RULE 103 SUSPENDED**

On motion of Senator Farabee and by unanimous consent, Senate Rule 103 was suspended in order that the Committee on State Affairs might consider **H.B. 2395** today.

**SENATE RULE 103 SUSPENDED**

On motion of Senator Blake and by unanimous consent, Senate Rule 103 was suspended in order that the Committee on Administration might consider **S.R. 457** today.

**NOTICE OF SESSION TO HOLD  
LOCAL AND UNCONTESTED BILLS CALENDAR**

Senator Blake announced that a Local and Uncontested Bills Calendar had been placed on the Members' desks and gave notice that a Local and Uncontested Bills Calendar would be held at the conclusion of tomorrow's session and that all bills and resolutions would be considered on second and/or third reading in the order in which they are listed.

**BILLS AND RESOLUTIONS SIGNED**

The President announced the signing in the presence of the Senate, after the caption had been read, the following enrolled bills and resolutions:

<b>H.B. 104</b>	<b>H.B. 243</b>	<b>H.B. 276</b>
<b>H.B. 339</b>	<b>H.B. 380</b>	<b>H.B. 504</b>
<b>H.B. 718</b>	<b>H.B. 759</b>	<b>H.B. 784</b>
<b>H.B. 823</b>	<b>H.B. 833</b>	<b>H.B. 1046</b>
<b>H.B. 1098</b>	<b>H.B. 1140</b>	<b>H.B. 1182</b>
<b>H.B. 1202</b>	<b>H.B. 1242</b>	<b>H.B. 1449</b>
<b>H.B. 1470</b>	<b>H.B. 1581</b>	<b>H.B. 1736</b>
<b>H.B. 1787</b>	<b>H.B. 1953</b>	<b>H.B. 2066</b>
<b>H.B. 2086</b>	<b>H.B. 2087</b>	<b>H.B. 2092</b>
<b>H.B. 2119</b>	<b>H.B. 2247</b>	<b>H.B. 2300</b>
<b>H.B. 2331</b>	<b>H.B. 2346</b>	<b>H.B. 2362</b>
<b>H.B. 2379</b>	<b>H.B. 2411</b>	<b>H.B. 2413</b>
<b>H.B. 220</b>	<b>H.B. 252</b>	<b>H.B. 557</b>
<b>H.B. 738</b>	<b>H.B. 742</b>	<b>H.B. 826</b>
<b>H.B. 1012</b>	<b>H.B. 1106</b>	<b>H.B. 1508</b>
<b>H.B. 1531</b>	<b>H.B. 1824</b>	<b>H.B. 2126</b>
<b>H.B. 2248</b>	<b>H.B. 163</b>	<b>H.B. 482</b>
<b>H.B. 667</b>	<b>H.B. 1078</b>	<b>H.B. 1577</b>
<b>H.B. 1762</b>	<b>H.B. 2121</b>	<b>H.B. 2261</b>
<b>H.B. 2305</b>	<b>H.C.R. 72</b>	<b>H.C.R. 79</b>
<b>H.C.R. 115</b>	<b>H.C.R. 125</b>	<b>H.C.R. 138</b>
<b>H.C.R. 105</b>	<b>H.C.R. 187</b>	<b>H.C.R. 189</b>
<b>H.C.R. 197</b>	<b>H.C.R. 208</b>	

**MEMORIAL RESOLUTIONS**

**S.R. 462** - By Montford: Memorial resolution for Morley Jennings.

**S.R. 463** - By Montford: Memorial resolution for Mrs. Blanche Tucker.

**CONGRATULATORY RESOLUTIONS**

**H.C.R. 188** - (Parker): Extending congratulations to Raymon L. Bynum.

**H.C.R. 200** - (Washington): Extending congratulations to Carl Lewis.

**S.R. 459** - By Brown: Endorsing proposal of Institute of Space Research and urging National Aeronautics and Space Administration to accept Institute of Space Research as one of its centers.

**S.R. 460** - By Sarpalius: Extending congratulations to Texas Ranger Bill Baten.

**S.R. 461** - By Montford: Extending congratulations to Nelda Thompson.

**ADJOURNMENT**

On motion of Senator Mauzy, the Senate at 12:46 o'clock p.m. adjourned until 11:00 o'clock a.m. tomorrow.

**APPENDIX**

Signed by Governor  
(May 17, 1985)

- S.B. 241** (Effective September 1, 1986)
- S.B. 279** (Effective September 1, 1985)
- S.B. 303** (Effective October 1, 1985)
- S.B. 611** (Effective August 26, 1985)
- S.B. 622** (Effective immediately)
- S.B. 630** (Effective January 1, 1986)
- S.B. 638** (Effective immediately)
- S.B. 819** (Effective September 1, 1985)
- S.B. 907** (Effective September 1, 1985)
- S.C.R. 138**
- S.C.R. 146**
- S.B. 142** (Effective immediately)
- S.B. 231** (Effective immediately)
- S.B. 332** (Effective January 1, 1986)
- S.B. 764** (Effective August 26, 1985)
- S.B. 805** (Effective September 1, 1985)
- S.B. 1296** (Effective August 26, 1985)
- H.B. 123** (Effective August 26, 1985)
- H.B. 508** (Effective August 26, 1985)
- H.B. 729** (Effective September 1, 1985)
- H.B. 1011** (Sections 1 and 2 effective October 1, 1985, Section 3 effective August 26, 1985)
- H.B. 1105** (Effective August 26, 1985)
- H.B. 1830** (Effective August 26, 1985)

Filed Without Signature of Governor  
(May 20, 1985)

- S.B. 368** (Effective September 1, 1985)
- S.C.R. 22**

H.C.R. 53  
H.C.R. 85  
H.C.R. 90  
H.C.R. 91  
H.C.R. 101  
H.C.R. 122

**SEVENTY-FOURTH DAY**

(Tuesday, May 21, 1985)

The Senate met at 11:00 o'clock a.m., pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Barrientos, Blake, Brooks, Brown, Caperton, Edwards, Farabee, Glasgow, Harris, Henderson, Howard, Jones, Kothmann, Krier, Leedom, Lyon, McFarland, Mauzy, Montford, Parker, Parmer, Santiesteban, Sarpalius, Sharp, Sims, Traeger, Truan, Uribe, Washington, Whitmire, Williams.

A quorum was announced present.

Senator Craig Washington offered the invocation as follows:

God, You gave us the positions we hold.

You gave us power.

Make us know that our power is greater than our positions.

Power resides only in those who know that power is greater than position.

If position were more important, would not power be less important?

Power would then reside in the few who thought it more important.

Make us mindful of those who would have us choose position over power.

Amen.

On motion of Senator Mauzy and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

**MESSAGE FROM THE HOUSE**

House Chamber  
May 21, 1985

HONORABLE W. P. HOBBY  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**S.B. 1128**, Relating to the compensation, leave and work accounting records of the members of the State Board of Insurance. (With amendment)

**S.B. 640**, Relating to the amount of laboratory charges collected at a junior college.

**S.B. 518**, Relating to the imposition of certain duties on the Board of Pardons and Paroles and to the eligibility of certain inmates for release on parole.

**S.J.R. 9**, Proposing a constitutional amendment to provide additional bonding authority for the veterans' housing assistance program and changing the definition of those veterans eligible to participate in the programs.